

# abinet backs Mr Callaghan holding on until 1979

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### lecturer 78

Reith Lectures are a by the Rev Dr man, Dean of Peter-ridge. Dr Newman, s been lecturer in unbridge since 1965. ct of his six half- n BBC Radio 4 World

the history of said, had a little o many virtues: uly been so grie- by enemies as was The United States did all in their amically and eco- to strangle the isome and savage ur gates, backed stions and succored ted by those who

### New US survey on Concorde

Washington, June 26.—The United States Government plans to ask American cities other than New York and Washington whether they would accept flights by Concorde, Mr Brock Adams, the Transportation Secretary, said in a television interview today.—Reuters.

should be our friends", Mr van der Byl said. Every effort must be made to secure a settlement which meant the end of the war, but he rejected any accommodation that betrayed the ideals for which Rhodesia's war dead had laid down their lives. Referring to the meeting this week of the United Nations Security Council, to consider allegations by President Machel that Rhodesia had invaded Mozambique, Mr van der Byl said: "past experience had shown that the picture to be presented would be one-sided and highly inaccurate. It was President Machel who had declared a state of war when he closed his border on March 3, 1976."

## lesians 'will fight for every inch of land rather than settle at any cost'

Speaking in Gwelo at the weekend Mr Smith, the Prime Minister, said it would be better to have no settlement than a wrong settlement. There were certain basics that had to be insisted on. Any new constitution had to guarantee the impartiality of the judiciary and the courts, maintenance of law and order and the rights of the individuals and minority groups. On Saturday Zambian soldiers fired across the Victoria Falls railway bridge for half an hour and this afternoon the Rhodesian border post at Kazungula was fired on from within Zambia, according to a communiqué from combined operations headquarters. There were no casualties. Maputo, June 26.—President Kaunda of Zambia arrived here today on a previously unannounced visit. No official statements on his visit have been made, but Mozambique radio announced soon after his arrival that the two presidents would discuss matters "concerning the Rhodesian situation".—Reuters.

## Chancellor's point is underlined on stronger reflation by Germany and Japan to avoid worsening recession OECD predicts more unemployment, but inflation down by next June

By David Blake Economics Correspondent

Growth so slow that unemployment goes on rising to the middle of 1978 while consumption edges down. A fall in the inflation rate to single figures, and a substantial surplus on the current account balance are the mixed prospects for the British economy outlined in the confidential background document studied by Finance Ministers at the Organisation for Economic Co-operation and Development. The paper contains the latest forecasts drawn up by senior economists in the Secretariat of the 24-nation OECD for the period to the end of June 1978. The prediction, which adds up to the 4 per cent growth forecast for the first half of the year, may have played a key role in deciding the ministers of the need to make a public commitment to more expansion.

The forecast predicts that by the first half of 1978 inflation will be running at around 8½ per cent though the OECD experts suggest that it will run at 13 per cent during the second half of 1977. During the rest of this year they expect a slight increase in private consumption, but this will turn into a marginal fall in early 1978. The cut in public expenditure is expected to make a significant deflationary impact during the second half of 1977 and to continue mildly deflationary in early 1978. Investment is expected to go up somewhat while stocks run down. The only consistently expansionary force on the economy for the next 12 months is thought to be the external side, which will contribute 1.9 percentage points of the 2.3 per cent increase in GDP expected in the second half of this year and 1.3 per cent

	1977				1978				1979			
	1977	1978	1979	1980	1977	1978	1979	1980	1977	1978	1979	1980
U.K.	17.2	13	8.5	0	1	1	0	0	2	1	0	0
Canada	8.2	7	6.9	4	3	4	4	4	-4	-4	-4	-4
United States	5.9	6.1	5.8	5	5	5	5	5	-10	-10	-10	-10
Japan	9.8	7.7	6.6	6	5	5	5	5	6	4	4	4
France	8.7	6.8	6.2	5	5	5	5	5	-5	-5	-5	-5
Germany	3.9	2.3	3.4	3	4	3	3	3	1	1	1	1

points of the 1.6 per cent growth expected for early 1978. No improvement is foreseen in the capacity utilization of industry, which is still little better than it was in 1975. Both of these growth forecasts show the economy expanding faster than it did in the first half of 1977, but the expansion will not be fast enough to stop unemployment rising. Indeed, total employment is expected to fall and this will be made worse by a continuing rise in the labour force, pushing up the jobless totals.

Realty about the need for stronger reflationary action by Germany and Japan.

Although their growth forecasts are not too bad (at least in the case of Japan) the increase in domestic demand is expected to fall sharply early next year. Domestic demand in Germany, which grew by 4½ per cent in the first half of this year, is expected to increase by only 2½ per cent in the second half. It is predicted to grow by 4 per cent in the first half of 1978. In Japan domestic demand will grow at only 4½ per cent in early 1978 compared to nearly 8 per cent during the second half of this year. This falling off in the buying power of the economy of the two strongest nations outside the United States is seen as being right at the heart of the issue of what is to be done

to avoid worsening recession. Japan and Germany are thought to be relying far too much on exports to keep their economies moving. This hurts other countries in two ways, since it cuts down the amount the Japanese and Germans buy from others and increases the extent to which they compete in third markets. The inclusion of final domestic demand in the communiqué issued at the end of the ministerial session on Friday is seen as being of key significance. It would run the OECD secretariat and all the other OECD members to look over the shoulders of policy-makers in Germany and Japan to see whether or not they are expanding home demand fast enough. For the first time it will be possible to examine policies before they are implemented rather than afterwards when it is too late.

## Prospect of Grunwick peace pact receding

By Tim Jones Labour Reporter

The prospect of peace in the Grunwick dispute receded last night when Mr George Ward, the managing director, said he would cooperate with a mediator into the dispute, but would not be bound to accept the conclusions of any inquiry set up by Mr Booth, Secretary of State for Employment. His conditional acceptance of mediation was branded as disgraceful by Mr Roy Grantham, general secretary of the Association of Professional, Executive, Clerical and Computer Staffs (Apex). He had already undertaken to abide by the decisions of an independent mediator.

Mr Grantham said: "I cannot see any point in cooperating with a mediator when the other side has rejected in advance any part of a mediation they do not like." In a letter to Mr Booth, Mr Ward stated that he would cooperate with a mediator "so far as my attendance at the High Court hearings permits". He said: "I will cooperate so far as my company's resources permit with any inquiry you choose to establish. But when you ask that I should bind myself to accept its conclusions, that I must decline to do and in so doing explain my reasons. First, the essence of this matter is to be decided in the High Court on July 4. It seems to me an extraordinary procedure to conduct two inquiries at the same time, one of which has legal force and the other of which does not. Secondly, I have grave reservations about your proposal, a reasonable compromise. As I have explained to you under no circumstances can Grunwick ever resume any of those dismissed last August. This is not a wages dispute where the parties can compromise on 50 per cent of the claim. This is a fight for individual liberty and the rights of workers not to be coerced into joining a union which is not of their choice. Upon that matter I cannot surrender because I would be betraying my staff. Thirdly, I have no practical way of enforcing upon my workforce any award that involves the reinstatement of those dismissed. My existing workforce would leave the factory, never to return even if I suggest it, much less attempt any such recommendation. I have no wish to do any of my legal rights. Your government should act immediately to prevent illegal blacking of my staff. I do not want it."

Mr Ward's stance, and Mr Grantham's reaction is bound to disappoint the Minister although he described the tone of Mr Ward's letter as encouraging. It was clear that he intended to ask Mr Ward to meet him today. Mr Booth, speaking on the BBC radio programme *The World This Week*, indicated that he had some idea of his role as mediator and added he was concerned that some things that had been said had cast doubts

Continued on page 2, col 5



Dancers at the 167th annual meet of the Morris Ring in Thaxted, Essex, yesterday.

## 33 injured after visit to the Fleet

From Our Correspondent Portsmouth

Thirty-three people were taken to hospital last night after a boat bringing them back from a visit to ships awaiting the jubilee review of the fleet smashed into a stone jetty. All were relatives of sailors and had spent the day on board various ships which will be inspected by the Queen tomorrow. The tug, Sea Grant, bringing them back to Portsmouth, struck as she manoeuvred alongside the jetty. The passengers were thrown violently and the injured, who included a baby aged 18 months, were taken to hospital suffering from concussion, shock and bruising.

Miss Peggy Moore, of Weymouth, was detained with a broken leg. Others left in time to catch coaches home to Dorset. A rehearsal for the jubilee review takes place in the Solent today. The only ship missing will be the Royal Yacht Britannia, whose part will be taken by the helicopter support ship *Engadine*, which will steam between the lines of ships stretching from Spithead almost to Southampton Water. During the weekend, the biggest gathering of warships since the coronation aroused last night, that expected with crowds no larger than on normal weekends in June. The police, however, think there may be as many as a million spectators in view at Southsea, Gosport and Lee-on-Solent for the review itself.

Navy divers were investigating yesterday a caulked metal explosives which was discovered near the warships anchored in the Solent. Reserves on parade: Reserves from Britain's Armed Forces will parade together for the first time before the Queen on Thursday night (our Defence Correspondent writes). The muster at Wembley stadium is believed to be the most representative gathering of the Services since Queen Elizabeth I reviewed her troops before the Spanish Armada in 1588. On parade will be some 1,500 men and women of the reserve forces with 100 cadets and 200 bandmen, pipers and drummers. They will attend from all parts of Britain. The Queen will be accompanied by the Duke of Edinburgh and by Admiral of the Fleet Sir Edward Ashmore, chief of the defence staff. There will be contingents from the Royal Naval Reserve, the Women's Royal Naval Reserve and the Royal Marine Reserve, with 10 contingents of the Territorial and Army Volunteer Reserve, the Royal Auxiliary Air Force, the Royal Observer Corps and naval, army and air cadet forces. On parade also will be the massed bands of the TAVR regiments and the massed pipers and drummers will come from eight Scottish and Northern Ireland units. The biggest ship, page 4

## Djibouti proclaimed a republic

The new Republic of Djibouti was proclaimed at midnight last night, ending 27 years of French rule in the Red Sea. The accession of the territory to independence may upset the balance of power in the Horn of Africa. The two ethnic groups which make up the population, the Afars and the Issas, have sunk their differences, but the neighbouring countries with which each group has affinities, Ethiopia and Somalia, are in a state little short of war. Some 4,500 of the 6,000 French troops stationed in Djibouti are to remain there for the time being, however, until a local military force has been trained. Arab states, especially Saudi Arabia, have promised aid as they have an interest in maintaining stability. Page 6

## Exports face 25% shipping cost rise

British exports are facing a 25 per cent rise in shipping costs later this year as a result of talks now going on about currency adjustment factors which some countries say give Britain an unfair advantage in freight rates on world liner routes. Page 17

## Talks on cutting gas profits

Profits made by British Gas which raised prices by 10 per cent in April, are too high under the present price control legislation. The Price Commission is having discussions with the state-owned corporation about ways of reducing the profit surplus. Page 3

## Ovett sets UK mile record

Steve Ovett, of Great Britain, won the Debenhams Mile at Crystal Palace yesterday, beating John Walker, of New Zealand, the world record holder, into fourth place. Ovett's time was a United Kingdom record. Page 9

Features, pages 10 and 14 Lord Thomson looks at the development of the EEC since Britain joined. Lord Chalfont says South Africa must be reversed for it is possible. David Steel says one question really counts in the Lib-Lab poll. Leader page 15. Leave 'O' journalists and press freedom, from Mr Michael Bower and others. Review of law on rape, from Lord Justice Latham. Editorial: The EEC membership, from Sir Christopher Soames. Leading articles: The real job of education; Djibouti's independence. Page 11. Arts, page 11. Paul Griffiths writes about Peter Maxwell Davies and the St Magnus Festival in the Orkney Islands. John Hervey-Jones, a new biographer of Sir Winston Churchill, is interviewed. Michael Church sees *Paradise* on BBC 1. Editorial, page 16. Obituary, page 16. Oliver, Lady Baden-Powell.

Home News	2-4	Crowdwork	30	Science	16
European News	4	Entertainment	10, 15	Sport	7-9
Overseas News	4	Features	10, 15	TV & Radio	29
Agriculture	6	Letters	15, 18	Theatre, etc	10, 11
Appointments	16, 18	Monday Book	11	Trips	9
Arts	11	Obituary	16	25 Years Ago	15
Relief	17	Parliament	16	Universities	2
Business	17-19, 24-27	Premium Bonds	16	Weather	2
Church	6	Property	12	Wills	16
Court	16	Safe Room	16		

## Church rebel ignores Pope's ban

Flavigny-sur-Ozerain, June 26.—Mgr Marcel Lefebvre, the rebel French prelate, today pointedly ignored his most severe papal warning to date and ordained a young priest in private here. Mgr Lefebvre, whose opposition to church reforms has brought him close to excommunication, plans publicly to ordain 14 priests and 22 subdeacons this week at Ecône, Switzerland. The Pope warned him in a letter last week that if he performed the Ecône ceremony he would be taking an "irreparable step".—Reuters.

## Irish Labour leader resigns

Mr Brendan Corish, leader of the Irish Labour Party, has resigned. He said his decision was not a result of the election defeat of the national coalition, of which his party formed part. The parliamentary party meets on Friday to choose a successor. Page 2

## Italian bridge team faces ban

The Italian bridge team may be barred from the world championship later this year unless the national federation can come to a positive conclusion about allegations that Italian players have used private codes to signal to their partners. The Italians have been given three months to complete the inquiry. Page 6

## Poetry Society: Moderates gain victory in elections to council

Housing: Crusade for home ownership promised by Mr Heseltine. Conservative environment spokesman. 3. Madrid: Leaders of Spanish Communist Party reject the Soviet Union as model for a socialist society. 4. Short, pages 7-9. Golf: Scotland win European amateur team championship. Racing: Longchamp and Irish Derby winners. Cricket: Leicestershire have pace victory over Sussex in Juba Player League. Business News, pages 17-19, 24-27. Financial Editor: Revaluation at 100. Securities: Rothmans's new issue, but a premium local authorities no longer without local. Hugh Stephenson: The self-regulators take the initiative in the City. Business features: Maurice Corina examines implications of the merger proposals between Royall, Parsons and Clarke Chapman. Business Diary in Europe: A cliff-hanger for the nuclear partners. Business management: Margaret Stone on the attractions of management; health insurance; Nace-Fry on participating in a search for higher productivity in the office.

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## HOME NEWS

# Irish deputy Prime Minister resigns as Labour Party leader

From Our Correspondent Dublin

Mr Brendan Corish, leader of the Irish Labour Party and deputy Prime Minister of the republic, resigned as party leader yesterday. His announcement came only three days after a similar decision by Mr Liam Cosgrave, the Prime Minister.

The national coalition was beaten heavily in the general election and two parties forming it, Fine Gael and Labour, will decide upon new leaders when their parliamentary groups meet on Friday. The Dail will resume under the government of Fianna Fail on July 5 and after the election of Mr Jack Lynch as Prime Minister the House is expected to adjourn for the summer.

Mr Corish said yesterday that under no circumstances would he try to influence the party's choice of successor as it would be improper for him to do so. He said that he believed that it was the most opportune time to place the leadership in new hands.

"I decided no matter what the outcome of the election, to vacate the leadership which I have held since March, 1960. I led the party through five gen-

eral elections since then. During that period Labour has emerged as a national party with clearly defined socialist policies and a national organization."

He added that Labour had emerged from the general election with its national vote intact. In other circumstances it was clear the party would have been returned with more deputies to the Dail. "In this lies great hope for the future and a great opportunity for my successor."

There will be at least three contenders for Mr Corish's position. The names mentioned yesterday were Mr Michael O'Leary, the outgoing Minister for Labour, Mr James Tully, the outgoing Minister for Foreign Affairs, and Mr Richard Burke, the outgoing Minister for Finance. Political commentators believe that Dr FitzGerald will be the favourite in Fine Gael and Mr Cluskey in Labour.

For the Fine Gael leadership there will be at least two contenders, Dr Garrett FitzGerald, the outgoing Minister for Foreign Affairs, and Mr Richard Burke, the outgoing Minister for Finance. Political commentators believe that Dr FitzGerald will be the favourite in Fine Gael and Mr Cluskey in Labour.

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## Moderates win fight in Poetry Society

By Philip Howard

In the elections to the council of the embattled Poetry Society at the weekend, the moderates secured a runaway victory over the exclusive extremists who have dominated the society for the past three years.

The entire panel put up by the moderate and tolerant Poetry Action Group were elected to bring the council up to 21. They were: Vicky Allen, literature director of the East Midlands Arts Association; Mr Bernard Brooke-Partridge, chairman of the Greater London Council Arts Committee; Mr Norman Buchan, Labour MP for Reufreshire, West; Lord Gowrie, poet and opposition spokesman on the arts in the House of Lords; Mr Paddy Kitchen, member of the Arts Council literature panel; and Mr Donald Treford, about the acceptance of an advertisement for the National Association for Freedom.

The advertisement praised the "outstanding courage of the Grunwick workers in continuing to work against unlawful odds" and appealed for financial support for the association's legal fund.

A statement by the newspaper said that although the editor's view of the Grunwick dispute differed sharply from that of the association, he believed the newspaper had an obligation to allow advertisers to express their opinions. When *The Observer* was finally printed, after the intervention of Mr Len Murray, general secretary of the TUC, it carried union statements on its front page.

The NGA machine managers said the advertisement was "misleading in the extreme". About 250,000 copies, almost a third of the total publication, were lost.

The *News of the World* was not produced in London yesterday. The management said there was unofficial action over a demand for special payments by some members of Netsopa.

The society is going to hold a postal ballot of its members on constitutional matters, including a proposal to reduce the number of the general council from 30 to 21.

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The new mosque now being completed in Regent's Park, London, with its 145ft minaret.

## 'Observer' delayed by protest

Production of *The Observer* was disrupted on Saturday night after two pricing unions, the National Graphical Association (NGA) and the National Society of Operative Printers and Assistants (Natops), protested to the editor, Mr Donald Treford, about the acceptance of an advertisement for the National Association for Freedom.

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## Picketing and the law in Europe and America

### The first encounter at Grunwick

By Tim Jones

Before the Grunwick dispute became violent and attracted media attention, Willesden Magistrates' Court had ensured its inclusion in the history books of the trade union movement by convicting in February, on charges of obstruction, six strikers who were picketing near the main gates of the film-processing laboratory.

The police did not dispute that the pickets had been peaceful but said they had obstructed the pavement, causing pedestrians to step into the road.

Legal counsel for the Association of Professional, Executive, Clerical and Computer Staff (Apex) said yesterday that one difficulty arose because the laws relating to picketing have been fundamentally unchanged since 1906 when they took little account of motorized transport.

He said that there was no established procedure for dealing with a dispute such as the one at Grunwick. Picketing would be unnecessary if there were, he said.

Mr Lawrence Daly, general secretary of the National Union of Mineworkers, advised members in 1974 that "persuading a vehicle driver to turn back could be construed as inciting a breach of contract and is an offence".

West German law is broadly in line with British practice, picketing being permitted if it is orderly. People wishing to pass the line may be approached, addressed and subjected to persuasion not to break it, but may not be obstructed or attacked. People not directly concerned in a dispute can take part in picketing.

In France, pickets outside factory gates are not allowed to prevent admittance of non-strikers as that would be contrary to the right to work. Even if there is no obvious interference with that right, pickets, especially if they are in large numbers, can be dispersed by the police without a court order.

But the police, because of a recent ruling by the Cour de Cassation, the highest court of appeal, cannot detain members of the picket for questioning. The recent tendency of judges in France has been to lean more heavily on the right to strike unless there is obvious interference with the right to work. That is not easy to establish if, for example, a large crowd of strikers is standing outside the entrance to a works and, by its mere presence, preventing admittance.

American law states that a picket must keep on the move. A battle is being waged by the labour movement in America for the right to place a picket line around a complete construction site. At present, the law states that such action would interfere with the ability of other firms on the site to conduct their business.

Police tactics in the Grunwick dispute are criticized in the latest issue of *Police Review*, a weekly magazine published by a commercial company for policemen but with no official police connection. The editorial asserts that senior officers both within and recently retired from police service do not agree with the way that the situation has been handled by Mr David Miles, the Metropolitan Police Commissioner.

In particular, it makes the criticism that no action was taken to close the roads surrounding the factory. "A tactic which would have given the bases of those workers who choose to work a choice of routes, and which would have diluted the concentration of pickets."

Second, it argues that "the use of mounted officers should have been authorized before a stage was reached whereby their introduction could have exacerbated the situation".

Third, it says that the police should be seen to be impartial, and expresses the hope that a report that police officers on taken to close the roads surrounding the factory. "A tactic which would have given the bases of those workers who choose to work a choice of routes, and which would have diluted the concentration of pickets."

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other place whether another person happens to be not being a place where he resides, for the purpose only of peacefully obtaining or communicating information, or peacefully persuading any person to work or abstain from working."

In the volatile atmosphere of the Grunwick dispute, one obvious difficulty is presented to the genuine picket wishing peacefully to persuade workers not to enter the factory.

In the early morning scene outside the factory gates police men clear a path for the bus that brings workers into the factory. Clearly their action and the fact that the bus is mobile prevents genuine pickets from taking advantage of the Act.

Mr Roy Grantham, general secretary of Apex, said yesterday that one difficulty arose because the laws relating to picketing have been fundamentally unchanged since 1906 when they took little account of motorized transport.

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ME NEWS

ish Gas  
to  
profit  
plus

Gas, which raised 10 per cent in April, is now being sold at a high under the present price controls. The commission confirmed that discussions were held with the state-owned oil company about ways of raising the price of gas.

In excess of price levels were the last quarter's price levels. The commission, however, do not intend to raise the price of gas until the autumn.

could be given to the state-owned oil company, but that method is not being used. The price of gas is expected to rise in the next month, as shown by a further increase in the price of gas.

usual methods are for use to be used to reduce price rises or to down gradually. The commission also the on concerned with going to take. It has to be said that the price of gas is expected to rise in the next month, as shown by a further increase in the price of gas.

ar's improvement in the price of gas to give the consumer council a assurance that there is a 12-month state price control. That assurance is not because of an in- by the Chancellor in over adjustment com- corporation to re- public sector borrowing.

per cent price increase effect from the first ading after April 1 to meet that require- most cases, bills in- the new charge yet been sent out.

akfast  
'not  
ccess'

if Reporter  
gh audience figures for -week breakfast re- periment in the York- l Tyne-Tees independ- sion areas were disap- on decision on whether -duce similar morning tes for a further -expected until the

periment ended a o and a full assess- uence reaction will sed during the sum- were just testing the "re". Yorkshire spokesman said. "We it was not a success, id get many letters ple saying they en-

Television, the parent of Yorkshire and had never intended e breakfast-time tele- regular basis beyond d of the experiment- ed viewing figures, have dropped below x of a potential audi- nine million, would tle encouragement to

er companies have y a similar experi- i the BBC has said dly that it would be reakfast television.

eyars demolished  
kyard chimneys more enty years old at y. Cambridgeshire, nished with explo- iderday. They stood 30 and 225ft high.

ted Kingdom's £430m to EEC budget

European Community's r this year, including Budgetary Budgetary consideration by the f Ministers, amounts million units of ual). At the conversion the unit of account the Budget, £1=2.4 ual- ng equivalent is about

percentage contributed member state will be: 19.24; Belgium, 5.35; 2.31; France, 20.14; 2.69; Ireland, 0.61; 1; Luxembourg, 0.14; 1; 8.56.

ited Kingdom contri- and receipts from, the 1977 are estimated: 275m; net contribu- 275m; net contribu- mated contribution this not correspond to the ndom's relative share 77 Budget, since under governing Community are tons some budget- is carried forward al year and that to elated United Kingdom in 1977 will, therefore, to meet expenditure ward from the Regional Development in this year's Budget, 400 million units of, 157m.

Treasury, June 15  
The estimated total net from tobacco duty in, £2,150m.



Sinatra sale: Picasso's "La Place de la République, Rouen" is among impressionist paintings owned by Mr Frank Sinatra which are to be sold in London by Sotheby's today.

20-fold rise in students  
helped by literacy drive

By a Staff Reporter  
There has been a 20-fold increase in the number of students helped by the adult literacy campaign since it began five years ago, Sir Michael Swann, the chairman of the BBC, says in a review of the BBC's contribution, published today.

"We believe," he writes, "that about 100,000 adult non-readers have now received some remedial tuition for the first time since leaving school."

In 1973 only 5,000 adults were getting help with reading and writing; it is estimated that two million adults in this country need help.

A dramatic increase in interest in the campaign is outlined by Dr David Begg, producer of the television series, *On the Move*, and its sequel, *Your Move*. As leader of the BBC's adult literacy pro-

ject, he has described its build-up since 1972.

He says early reactions to pilot material were "often violent and generally hostile". Pretesting of students was gruelling and profoundly disturbing; the degree of our insensitivity to the problems had been painfully brought home to us.

Not until after new pilot programmes were made, drawing less hostility, were recordings able to begin in July and August, 1975.

By contrast, two years later the team was given "a tremendous welcome". Students were now keen to do interviews for television, and filming went on late to accommodate this enthusiasm.

On the Move, the BBC's contribution to the Adult Literacy Campaign in the United Kingdom, 1973-76 (BBC Education, 30p; BBC Information (30)BC/EE, BBC, London, W1A 1AA; free).

Disabled pupils  
'do better' in  
ordinary schools

Physically disabled children who go to ordinary schools often cope better than children who go to special schools, a study by the Thomas Coram Research Unit of London University says.

The study, published today, found that children at special units in ordinary schools were slightly better at reading than children in special schools. Equally significant, children who had been or were in ordinary classes were also doing slightly better than those with similar handicaps and the same intelligence levels, who had never been in an ordinary class.

Most of the disabled children in England and Wales are educated in special schools. The researchers, Miss Christine Cope and Dr Elizabeth Anderson, recommended that local education authorities, especially those without adequate special schools, should consider setting up carefully-planned units for physically handicapped children in selected schools as an alternative to special schools. Special Units in Disabled Schools (University of London Institute of Education Studies in Education, 6, £2.95).

Tax relief for private  
landlords suggested

Proposals for improving the quality and quantity of privately-rented accommodation, including tax relief for landlords, are made today by the National Consumer Council.

In its evidence to the Department of the Environment's Rent Act Review, the council calls for new tax relief for private landlords as an incentive to keep properties in good repair. It suggests that private rents should be based on comparable council rents in the area, not on capital property values. Because this could in some cases mean higher rents, the council recommends phased decontrol related to a programme of improvement and repair.

Because some landlords are getting round the Rent Act regulations, by, for instance, passing off permanent accommodation as "holiday lets", only two kinds of letting should be allowed in future it says. These would be a "tenancy" and an "exempted letting", the latter to cover accommodation used for genuine holiday lettings.

Fines for harassment and illegal evictions should be raised to £1,000 and/or up to two years' imprisonment, plus damages for the tenant's loss.

There should be a new housing court to consider all housing matters at present covered by magistrates', county and Crown Courts and to take over the functions of the rent assessment committees and some of the powers of rent tribunals.

The council also advocates stronger power for repairs to be made available to tenants and local authorities, linked to a change in the improvement grant system.

But in the long term, the report says, owner occupation, council housing and housing associations are the only real answer for most of those who rent from a private landlord.

Neville Hodgkinson writes: Two housing reports published today have a common conclusion: that many private landlords are either unable or unwilling to carry out repairs. Both reports are written

from the point of view of tenants, but they suggest some understanding of the plight of those landlords who are subject to anomalies in the rent-fixing system.

In its evidence to the Government's review of the Rent Act, the National Association of Citizens' Advice Bureaux refers to a woman of 83 living in a privately-rented home which for five years has been without piped hot water. She has been told repeatedly by the landlord that the net rent of the property after deduction of rates, insurance, collection and maintenance is 12p a week, which must be borne in mind when calculating any future expenditure on the property.

In a paper called *The Failure of Private Landlords to do Repairs*, the association says that "burdens throughout the country have given examples of hundreds of cases of severe hardship endured by private tenants living in bad conditions."

It says tenants should be entitled to deduct payment for essential repairs from rent due; and grants for repairs for landlords with financial difficulties should be made more easily and quickly available.

Shelter, the campaign for the homeless, also calls for wider availability of local authority grants and loans for improvements and repairs in its evidence for the Rent Act review. Its proposals for improving the lot of tenants include further restrictions on landlords, and reforms in the rent-fixing system.

Shelter rejects the argument that the abolition of rent control and security of tenure would restore the private rented sector. It says that during two periods of decontrol, 1923 to 1929 and 1957 to 1964, the decline of private renting accelerated.

Economic factors such as the attractiveness of owner occupation and council housing, with the government subsidies that may accompany them, have been responsible. It argues that Britain must accept that the decline is inevitable and make provisions to meet it.

Tories will  
expand  
ownership of  
homes

By John Young  
Planning Reporter

A rapid and irreversible expansion of home-ownership will be among the highest priorities of a new Conservative Government. That was made clear by Mr Heseltine, Opposition spokesman on the Environment, in a speech to the Devices Conservative Association at Hungerford on Saturday.

Mr Heseltine's motive in choosing that occasion to deliver an important policy statement was doubtless the imminence of the Government's housing policy review to be published tomorrow. Not only will his party do everything in its power to reduce local authority housing ownership to a minimum, but it is also considering ideas for helping first-time buyers which go well beyond anything likely to be contained in the Green Paper.

As incentives to first-time buyers, Conservatives favoured two schemes in particular, he said. The first was a maximum mortgage rate to be ensured by adjusting as necessary the composite rate of tax paid by building societies; the second was a Government grant of £1 for every £2 saved towards a deposit as a scheme of this sort already operates successfully in West Germany.

In its "crusade for home ownership" the party would introduce a legal right for millions of council and new-town tenants to buy their homes.

Mr Heseltine observed that inertia or opposition to the shrinkage of their "empires" would persuade council bureaucrats to delay the process. For that reason he favoured the use of private estate agents to deal with tenants' applications to purchase; the Government should consider providing standard deeds and compulsory arbitration in the event of disagreement on the assessed market price.

Mr Whitelaw backs  
pledge to Europe

By Our Political Editor

Mr Whitelaw, deputy leader of the Conservative Party, strongly supported Mrs Thatcher's Europeanist stand in Rome last Friday when he addressed a Conservative meeting in Clitheroe, Lancashire, yesterday.

Arguing for direct elections to the European Parliament, he went a long way to confirm that the Shadow Cabinet had decided overwhelmingly at a recent meeting in favour of vindicating the party's European commitment to the limit. It is said that there were only one or two contrary voices.

That may prove important for the future of the Government's European Assembly Elections Bill, published last Friday. "The overwhelming majority of the British people who voted in the 1975 referendum to stay in Europe," Mr Whitelaw said, "knew that the European garden was not going to be a bed of instant roses."

Mr Whitelaw went on to speak of the campaign by the Labour left to prove that United Kingdom membership of the EEC had been disastrous for the housewife and for Westminster. Mrs Thatcher has ordered Conservatives to produce conclusive research information on the issue.

Mr Whitelaw said it was important to keep clearly in mind the underlying motive behind the left-wing attack on Europe. By arguing that United Kingdom membership of the EEC had caused massive unemployment and endless rises in food prices, left-wingers hoped to allay the suspicion, now growing rapidly among the people, that it was three years of socialist policies that were the real cause of the fall in living standards.

"But I do not believe that people in Britain will be persuaded that crippling taxation, endless inflation and soaring unemployment, particularly among young people, were designed by Germans, Frenchmen or Italians. They know that these scars on our society can very largely be traced back to the Labour Party which has sought quite

openly to destroy reward, incentive, and individual freedom. "Undoubtedly the left is planning to cover up their failures by using Europe as a bogymen. But fortunately their crude propaganda is exposed by a few members and ex-members of their own Labour Government." He referred to Mr Hattersley, Secretary of State for Prices and Consumer Protection, and Mr Jenkins, president of the EEC Commission.

Mr Whitelaw said there was a legitimate debate about how European bureaucracies could be controlled and how the housewife and the farmer could be helped through the most efficient use of Community resources. Many European partners shared that view. As a first step towards achieving those objectives the United Kingdom should surely press ahead with direct elections.

A directly elected European Parliament would be a useful aid and ally to national parliaments in seeking to devise ways of helping not just the British but the European housewife, the European wage-earner and the European farmer.

Preventing a split: Mr Gavin Strange, Parliamentary Secretary, Minister of Agriculture, said yesterday that the Prime Minister's decision to allow a free vote for members on the European elections Bill reflects the deep division of opinion in the Labour Party over Britain's membership of the EEC.

Mr Strange, who was speaking to a party meeting at Muselburgh, Lothian, said the division was as old as the Community. The free vote, like the referendum, arose out of a desire to prevent the difference becoming a dangerous split.

"It would be tragic if the consensus of a free Commons vote on direct elections were to be shattered in the month's ahead by a major split on the question of British withdrawal from the Community."

George Thomson, page 14  
David Wood column, page 15

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Type of crossing		1972	1974	1976
Manually controlled		240	232	280
Light controlled		1	1	1
Light controlled at junction		892	1,012	915
Light controlled, not at junction		227	309	605
Uncontrolled		5,117	4,348	3,408
All known crossings		6,568	5,991	5,201

Transport, June 17  
Crossing fatalities: Pedestrians killed or injured at pedestrian crossings in 1972, 1974, and 1976 were:

Year	Fatalities
1972	10
1974	15
1976	18

Education, June 17  
Road accidents: The accident rate by type of road and severity last year, expressed in terms of 100 million vehicle kilometres, was:

Road type	Fatal	2+ serious	25	Slight
All roads	2.4	2.4	26	73
Motorways and A(M) roads	0.8	1.0	10	15
Other roads in built-up areas	2.8	3.7	120	160
Roads outside built-up areas	2.2	1.8	22	52

The total numbers of vehicle involved in accidents was 421,212, including 24,067 bicycles; 65,443 motor cycles; 257,687 cars and vans; 16,039 public service vehicles; 44,983 goods vehicles and 9,016 others.

Casualties totalled 339,673, including 23,222 cyclists; 67,626 motor cyclists; 148,833 from cars and taxis; 12,805 from public service vehicles; 16,587 from goods vehicles; 2,086 from other vehicles and 65,569 pedestrians.

The average cost a road accident was: Fatal accident, £47,500; Serious accident, £3,240; Slight accident, £350; damage only accident, £240.

National Land Fund: During the past 20 years stocks totalling £44,120,269 were purchased on the open market through the Government Broker on behalf of the National Land Fund. In addition Treasury Bills totalling £79,889,935 were purchased in the same period.

Exchequer, June 17  
Student grants: The cost to public funds of grants for maintenance and fees to students in higher and further education in Britain in the academic years 1976-77 was about £410m for home students and about £22m for those from overseas.

Home Office, June 15  
Gas conversion: The British Gas Corporation's 10-year conversion programme represents an average of 1,340,000 customer conversions each year. Conversion of two million customers in the Netherlands took four and a half years. Conversion of five million Japanese customers will take up to 12 years. Budapest has a 15-year programme.

Energy, June 16  
Nuclear reactors: The latest estimate of the total cost of construction of the four Advanced Gas-cooled Reactor power stations on order for the Central Electricity Generating Board and the one AGR station for the South of Scotland Electricity Board is about £1,150m. That is the current estimate, excluding initial fuel costs. The programme is expected to be completed in 1980. The total designed nominal station capacity of these stations is 6,480MW.

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Exchequer, June 15  
Violence: The numbers convicted of violent

## HOME NEWS

## Oil tanker is biggest ship in Fleet review

By Henry Stanhope  
Defence Correspondent

The Queen will review the fleet at Spithead tomorrow when 175 ships from Britain and 17 other countries will celebrate her silver jubilee and Britain's maritime heritage.

The first royal review as such was held in 1773 by George III, who was towed out to his man-of-war by 12 lady "carrs" from Portsmouth: 12 of the finest in the town, as he later remarked.

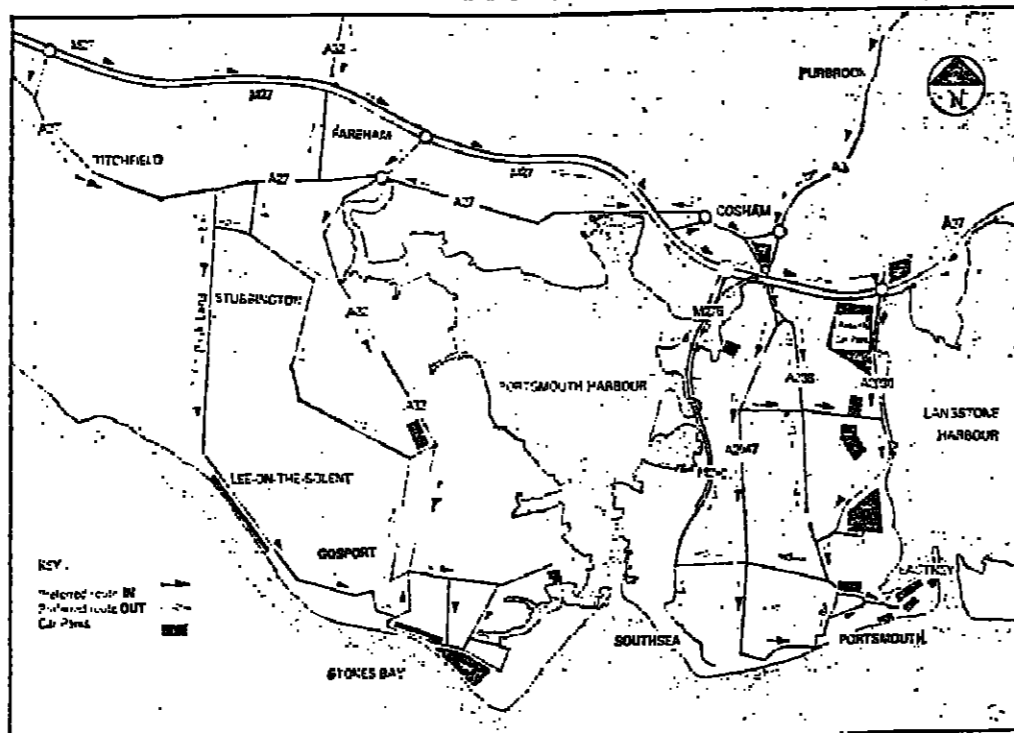
The last was in 1953, when the Queen, shortly before her coronation, steamed in the royal yacht Surprise past 195 ships of the Royal Navy, still the second largest in the world, with five battleships and 11 aircraft carriers embodying the memory of former glories.

On Tuesday, the thirty-fifth royal review since 1773 will display a very different fleet, with most of the 112 ships of the Royal Navy and Royal Fleet Auxiliary dwarfed by Britain's sole remaining aircraft carrier, the 43,000-ton Ark Royal, which is to be scrapped next year.

It is a sign of the times that the largest vessel on show will be an oil tanker, British Petroleum's 277,000-ton British Respect.

Among the oldest will be HMS Melburne, a 15,000-ton aircraft carrier launched for the Royal Navy in 1945 and transferred to the Australian Navy in 1962. The vessel will be HMS Birmingham, a 3,500-ton guided missile destroyer, commissioned less than six months ago, which will carry members of the Admiralty Board down the line in the wake of the Royal Yacht Britannia.

But if the ships in the thin grey line are smaller and fewer, with guided missiles replacing the guns that once roared at Lundy or the River Plate, the colour and spectacle of the



Recommended routes for motorists visiting Portsmouth for the Fleet review.

silver jubilee review should be little diminished.

The Britannia, with the Queen, the Duke of Edinburgh, the Prince of Wales, Princess Anne and Captain Mark Phillips, will steam at a careful eight knots on a 15-mile circuit of the ships, preceded by the Trinity House vessel Patricia. Behind will come the Birmingham, the Royal Fleet Auxiliary vessel Engadine with several hundred journalists on board, and three more RFA ships carrying members of the Government, MPs, ambassadors, representatives of industry and trade unions, ex-Service men's organizations and naval holders of the Victoria Cross and George Cross.

The royal yacht will leave the South Railway Jetty at Portsmouth Dockyard at 11am and the two-hour review will start at 2.30pm after a royal salute. Then at 4.45pm there will be a flypast of 154 aircraft from the Fleet Air Arm, including 110 helicopters.

After a reception on board the Britannia for ratings from the Fleet, the Queen and the Duke of Edinburgh will dine on board the Ark Royal as guests of Admiral Sir Henry Leach, Commander-in-Chief, Fleet. The Queen will begin an official visit to Portsmouth on Wednesday, after the return of the Britannia and the dispersal of the review ships.

For the million or so visitors expected in Portsmouth, there will be a fireworks display on Southsea Common, while the ships anchored in the Solent will be illuminated tomorrow night.

Other British craft taking part

include a British Rail ferry, the Post Office ship Iris, up to six fishing boats and the MV Granville, representing the Commissioners of Irish Lights. Ships from other nations will represent Britain's allies in the Commonwealth, Nato, the EEC and the Central Treaty Organization. The United States Navy is contributing two nuclear-powered vessels, the submarine Bluefish and the cruiser California. No ballistic missile submarines will be on show, not even Britain's Polaris boats.

Our Maritime Correspondent writes: Hampshire Police have drawn up a special traffic and parking plan which provides 75,000 extra parking spaces for private cars.

The essence of the plan is that motorists should approach the area on the "preferred routes" recommended by the police, who will direct them to the visitors' car parks. Drivers are asked not to use the M275 into Portsmouth, as access to car parks from that direction will be difficult.

## WEST EUROPE

## Leadership of Spanish Communist Party rejects Soviet Union as model for a socialist society

From Our Correspondent  
Madrid, June 26

The central committee of the Spanish Communist Party has replied to Moscow's attack on its leader, Senator Santiago Carrillo, by rejecting the Soviet Union as the ideal model for a socialist society.

The committee drew up a statement over the weekend replying to a harsh attack on Carrillo's "Eurocommunist" ideas contained in an article in the Soviet magazine *New Times* in a criticism of his new book *Eurocommunism and the future*.

The statement said the attack was not just on Carrillo but against "all those communist parties which believe in a democratic way to socialism and for socialism in democracy".

Senator Carrillo is the most outspoken Eurocommunist leader. His party's quick reaction to Carrillo's "excommunication" from Moscow was tantamount to a break.

The party said that the time had come to restore scientific socialism to its place in the place of "the curse and excommunication" which are totally alien to the Marxist spirit.

"These methods are one of the reasons why the so-called scientific socialism in countries like the Soviet Union can no longer be regarded as the ideal model of our socialist society", it said.

The Spanish Communist Party does not own its distinction to any centre or any leading world party. The party elaborates, and will continue to elaborate, its political line and strategy with complete independence, based on experience of the world revolutionary movement and on scientific analysis of the changes which are produced in the socio-economic and political reality of our country.

The party is only responsible before the workers and peoples of Spain. For Spain and for other capitalist countries with similar characteristics, the Eurocommunist way offers the only valid alternative for advancing to socialism; an authentic revolution.

any alternative which, without renouncing the best traditions of the communist movement, brings together, as did the founders of Marxism, socialist ideals with profound and undeniable popular aspirations for freedom.

"Eurocommunism" conceives of socialism as a regime with the widest unifying of democracy and individual liberties. The line of the Spanish Communist Party is nothing more than this.

The central committee, of 130 members, with another 50 representing the heads of the electoral lists in the provinces, approved the text with only one abstention. It was the first meeting of the central committee presided over in Spain by the party's president, Senora Dolores Ibarruri, "La Pasionaria", who returned aged 82, from 38 years' exile in Moscow last month.

Her signature to the statement was particularly interesting, as, because of her place of exile, she has always been identified with Moscow.

Several other pro-Russians also signed, including Senora Francisco Romero Martin, who was a lieutenant colonel in the Soviet Army.

The Moscow attack has provided the party with an excellent opportunity to declare itself independent. It won 19 seats in Congress in the recent general election and the party has denied receiving any money from Moscow.

Senator Carrillo has almost been overhauled since the party was legalized in April to cooperate with the Government. He saw Senora Suarez, the Prime Minister, last week and met King Juan Carlos for the first time on Friday night when he and other opposition leaders attended a reception to celebrate the king's saint's day.

Senator Fernando Claudin, an expert on communist affairs, who was expelled from the party in the 1940s for his differences of opinion, wrote in *El País* today that the idea behind the Moscow attack was to create a crisis and a pro-Soviet wing in the party.

The Soviet Union did not

mind how communist parties solved their problems within their own countries, but it could not tolerate criticism of its international political policies, and particularly anything which questioned the socialist nature of the Eastern block.

Berlin, June 26.—East Germany has been itself badly hit by the Soviet Union in its rejection of Eurocommunism, publishing in full the strongest Soviet attack on Senora Carrillo.

The main party daily *Neues Deutschland* devoted a whole page of its 16-page issue to the article.

Madrid, June 26.—Two bombs caused extensive damage to the building housing the *Madrid* daily newspaper *Diario 16* early today. *Neuro* Belgrade: The Yugoslav Communist Party said East European attacks on the Spanish and other West European Communist parties were inspired by "Stalinist conceptions".

The Yugoslav party's official weekly journal *Pravda* said the Soviet bloc structure "relied partly on methods, essentially anti-communist, propaganda and party on the ideological-political arsenal of Stalinist conceptions".

The attacks were directed against "any attempt by communist parties to discard sectorial policies".

Attempts to discredit the European parties for alleged revisionist aims were an attempt to "restore the practice of relations from the time when the programme strategy and political line of communist and workers' parties were dictated from a single centre, according to a single all-embracing pattern and model". It added in a clear reference to Moscow.—Reuter.

Rome: The Italian Communist newspaper *Paese Sera* said it thought Soviet complaints were based on fears that Eurocommunism could reach into East Europe.

"One has to ask how it is that just when Eurocommunism is harvesting its best electoral fruits, a complaint comes from Moscow that is so heavy and unjustified", the newspaper said.—Reuter.

## Six former ministers 'reprieved' by Lisbon

From Our Correspondent  
Lisbon, June 26

Six former Portuguese ministers of the Soares and Costa governments have been granted the full retirement pension. They had earlier been classified as "revolutionary regime as a punishment". This has been changed to "compulsory retirement with right to pension".

The ministers are Professor Silva Cunha, former Overseas Minister and Minister of Finance at the time of the revolution on April 25, 1976; Professor Adriano Almeida, former Overseas Minister; Professor Amunoz Varela, who was Minister of Justice and Dr. Salazar, Dr. Almeida, Dr. Costa, Professor Varela's successor; Senora F. de Azevedo, a former Minister of Public Works under Dr. Caeiro, and Dr. Cavaleiro de Faria.

Rumours have been recent current here that Dr. Adriano Almeida, who has been living in Brazil for several years, and Dr. Veiga Simoes, a former Minister of Education, who left shortly after the 1976 revolution, may return to Portugal to take up official posts.

But if the ships in the thin grey line are smaller and fewer, with guided missiles replacing the guns that once roared at Lundy or the River Plate, the colour and spectacle of the

## Socialists back plan to make Malta neutral

Valletta, June 26.—Socialist from Mediterranean countries ruled a five-day meeting in Valletta at the weekend with a proposal to set up a co-operative system of regional security to eliminate the influence of the superpowers from the area.

Their final communiqué also supported a proposal by Mr. Shafiq, the Maltese Prime Minister, to urge states taking part in the Belgrade conference on the Helsinki agreements to set up a standing committee for the Mediterranean region.

The conference expressed support for Mr. Micallef's efforts to make Malta a neutral non-aligned state in 1979 when the leases end for British and Nato bases on the island.—Reuter.

## ASH attack on tobacco substitutes

By John Rorer  
Health Services Correspondent

The marketing of tobacco substitute cigarettes next Friday has been preceded by unjustified promotion which has given a false impression to the public. Action on Smoking and Health (ASH) says today. It calls for strict control of advertisements immediately.

The anti-smoking organization says in a letter to Mr. Ennals, Secretary of State for Social Services, that statements by ministers, emphasizing that cigarettes with substitutes must not be seen as safe, have been more than countered by the weight of advertising.

The letter says that if it is not possible to introduce effective

controls on marketing or to provide full details of health monitoring before July 1, the marketing of part-substitute cigarettes should be deferred.

Brands containing NSM and Cyrel, as well as the substances themselves, have been heavily promoted, ASH says. Much of the publicity is directed to their novelty.

According to ASH advertising and public relations efforts in preparation for the launch have been of unprecedented intensity. Little emphasis has been placed on the fact that with one exception the new brands contain three-quarters tobacco and are stronger than some brands already on the market.

ASH alleges that cooperation

by the industry, upon which governments relied, is clearly lacking and there should be legislation to bring substitutes under the control of the Medicines Act.

The organization fears that smokers, who believe that a safe cigarette is just round the corner, may be discouraged from giving up smoking, children may feel that starting to smoke is not so serious, and smokers of low tar brands may switch to one of the stronger part-substitute brands.

Mr. Moyle, Minister of State for Health, said on June 16 that arrangements governing the advertising of tobacco substitutes for three years had almost been agreed with the industry.

## MP's advice on possible wife for Prince

By a Staff Reporter

Mr. William Hamilton, Labour MP for Fife, Central, has added a new twist to recent speculation concerning the Prince of Wales's marital future.

Writing in the latest issue of *Embassy* magazine, Mr. Hamilton asserts: "It would not be an unmitigated disaster if the Prince of Wales fell in love with a black or brown girl from Africa or India and married her...". After all, he continues, "we have two million coloured people in the United Kingdom and the vast majority of the total population of the Commonwealth is not white skinned".

## Obstacles block pact with Italian Communists

From Patricia Clough  
Rome, June 26

An accord that was to bring the Communists a step closer to Government has become bogged down in disagreement.

The secretaries of the Christian Democrats and five other parties, including the Communists, which directly or indirectly support the Christian Democratic Government, met in Parliament, held a meeting on Friday evening to remove the final obstacles to an interparty agreement on important legislation.

Although the accord has been played down by the parties as a limited legislative agreement, it involves all the main domestic problems facing the country.

They include stricter law and order measures, economic legislation, increase pension in leading sectors, reforms in local government, and education and a stop to the appointment of political protégés to high posts in public bodies.

The main difficulties have been raised by the smaller parties—the Socialists, Republicans, Social Democrats and Liberals—while the Communists and Christian Democrats seem reasonably satisfied.

Signor Ugo La Malfa, the Republican leader, is strongly opposed to most of the economic measures and to plans to allow the police to have one or more unions.

Friday's meeting was in a way historic. For 30 years of Christian Democratic rule, and even as recently as four months ago, the majority Christian Democrats would have considered it unthinkable openly to negotiate Government policy with the Communists.

Yet the fact that they were all photographed together wreathed in smiles is a measure of the Communists' success in moving forward so slowly and carefully that it is hardly noticed.

The process started in earnest four months ago when the Communists and Socialists declared that they were no longer prepared to prop up the Government without having a say in its policies.

It took three months of patient and difficult negotiations to reach Friday's meeting but, as the Communist Party organ *L'Unità* wrote today, "Three months of negotiations are a lot but 30 years of Christian Democratic political monopoly based on discrimination against the Communists is also a lot".

What really mattered, it said, was not so much an agreement that the party secretaries would sign as "the blow which it would give to long-standing prejudices".

At the start of the negotiations the Communists had hoped for a Government reshuffle which would include Communist-sponsored technicians in the Cabinet to guarantee that the agreement would be carried out. They have since dropped this idea.



King Olav of Norway, who as crown prince opened a Norwegian church in Rotherhithe, London, in 1926, arrives to unveil a ceremonial plaque.

## Salzburg bank raiders free hostage and surrender

From Sue Masterman  
Vienna, June 26

Two Austrian bank raiders who held a cashier hostage for more than 27 hours and upset the official visit of Mr. Hedi Nour, the Tunisian Prime Minister, surrendered to the police in Salzburg this afternoon.

The raiders, named as Michael Pracher, aged 27, and Godfried Wallner, aged 30, demanded a 2m schilling (£69,000) ransom, a getaway car and a free passage with their hostage.

They raided the Berger Bank exchange office, in the pedestrian centre of Salzburg

After a night of negotiations during which the police struggled to keep curious tourists from the immediate area, for fear of a gun battle, the gunmen unexpectedly released their hostage, Mr. Ingo Hopfer, aged 21, soon after midday.

Less than two hours later they surrendered. They had talked by telephone to two psychiatrists, who have specialized in dealing with terrorists, and to a local clergyman.

Ironically, the siege in Salzburg lasted so long only because the raiders were able to hide behind the bullet-proof glass designed to keep raiders out.

## Police break up Swiss protest at nuclear site

Olten, June 26.—Several thousand environmentalists have temporarily abandoned plans to stop construction of a Swiss nuclear power station after being dispersed by police yesterday.

The demonstrators had planned to isolate the site by occupying the access routes to Gösens, three miles east of here, but were thrown back by nearly 1,000 policemen equipped with shields, helmets, tear gas and water throwers.

Police attacked after demonstrators ignored orders to leave the nuclear site and some protesters began throwing stones.—AP.

## Busy end to British EEC term

From Michael Hornsby  
Brussels, June 26

A sudden flurry of EEC activity, culminating in the meeting of heads of government in London on Wednesday and Thursday, will mark the final days of Britain's first six-month tenure of the Community's presidency.

On Friday, Dr. Owen, the Foreign Secretary, hands over to Mr. Henri Simonet, of Belgium, as chairman of the Council of Ministers.

In Luxembourg tomorrow, Mr. Healey, the Chancellor of the Exchequer, presides over the annual tripartite conference, so called because it brings together trade unions and industrialists, the European Commission, and finance or labour ministers of the Nine.

Mr. Len Murray, the general secretary of the Trades Union Council represents his organization. The conference is a sequel

to last year's rather more ambitious affair which laid the groundwork for a European social compact and set out a number of goals which the participants agreed to try to realize by 1980.

These included a return to full employment, a gradual reduction of the rate of inflation to about 4 to 5 per cent a year, and an average annual growth rate of gross national product of about 5 per cent in real terms.

The 135 (or latest count) delegates to the conference seem likely to spend most of their time tomorrow lamenting how far progress towards these objectives has fallen short of what had been hoped for.

The very purpose of the conference may be questioned by some. Its advocates contend that there is a therapeutic effect simply in bringing together in one place so many

representatives of conflicting social and economic interests. As one EEC official remarked: "The conference may not be a decision-making body, nor even an advisory body, but it is a rather loud noise".

While Mr. Healey and his colleagues are wrestling with growth and unemployment, Mr. John Silkin, the Minister of Agriculture, will be chairing a meeting of his EEC colleagues convened for the sole purpose of discussing policy on fisheries.

This meeting was originally planned as the occasion for a determined effort to break through to agreement on the internal share-out of fish resources within the Community's 200-mile zone. Signs are now being set rather lower, largely because a lame

Irish Government will be unable to accept any firm commitments on behalf of its successor.



## Jewellery at Christie's



Diamond necklace by Van Cleef and Arpels, and a pear shaped diamond of 25 cts. £238,636 and £34,099 respectively.

So far this year Christie's have sold jewellery for over £7,000,000.

Christie's. The First Fine Art Auctioneers—since 1766.

Christie, Manson & Woods Ltd, 5 King Street, St. James's, London SW1Y 6QT. Tel: 01-839 9089. Telex: 919439.

BANKS DEBATE. Broadsheet No.2

# HOBSON'S BANK?



In August 1976 the Labour Party National Executive Committee (NEC) proposed that the four main clearing banks—Barclays, Lloyds, Midland and National Westminster—should be nationalised.

The Party Conference passed the proposal—although the Government is against it and the Prime Minister called it "an electoral albatross."

We, the banks listed below, believe that public ownership of banks is a matter for public discussion. We would therefore like to question some of the NEC's basic assumptions and also ask you what you think—whether you are for or against bank nationalisation.

## MONOPOLY MONEY.

The NEC claims that the present situation "has put into the hands of the banks and other financial institutions a vast concentration of private power."

Yet, if the big four really share a virtual monopoly between them, could the Government—by owning them all—fail to enjoy an even greater monopoly?

But what of the NEC's assertion? Is it even true?

At the end of 1975, \$74 billion was deposited with the main financial institutions in the UK. Of this, the clearing banks held 29 per cent only.

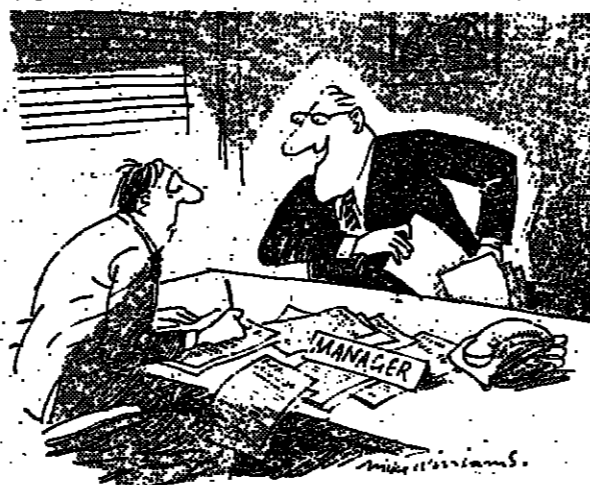
COMPETITION FOR DEPOSITORS' FUNDS	
SHARE OF DEPOSITS IN THE UK AT DEC 1975	
20%	NATIONAL SAVINGS BANK, NATIONAL SAVINGS CERTIFICATES & BONDS TSB etc.
31%	BUILDING SOCIETIES
20%	OTHER COMMERCIAL BANKS
29%	LONDON CLEARING BANKS

## DO BANKS REALLY COMPETE?

At present you have a choice among any of the main High Street banks named below. They compete with building societies, Trustee Savings Banks, National Savings, unit trusts, finance houses, foreign banks and the Post Office Giro for your money. And they compete with each other.

## THE BATTLE OF THE HIGH STREET.

But, with 12,000 branches of these banks up and down the country, it is often at local level that competition is most real.



"A CHOICE SIR? OF COURSE, WE HAVE FORM 474B/BC2 IN BLUE, GREY OR THE STANDARD OFF WHITE."

Take a town like Luton. It has a population of 165,000 and 26 bank branches. Someone wanting to open an account or wanting to borrow money could go to any of these branches. Or, for certain services, to one of the competitors already named.

It's the same all over the country. Most bank branches are small, often not much bigger than the shop next door. And the local branch manager is given a lot of freedom. He is expected to make a success of his branch—to understand his customers, to know

about local industry and business. Competing—as at present—against other local bank branches, he soon loses customers if he gives poor service or is unreasonably cautious about lending.

## HOW WOULD NATIONALISATION HELP?

The NEC document offers few clues on freedom of choice or how nationalisation would help customers. Indeed it rarely mentions them. All it says is that the separate identities of the banks would be retained. But would it be real competition if the difference were in name only?

## WHERE WOULD THEY GO?

The NEC first contemplated nationalising only one bank. But they recognised that most customers would

switch to the other banks. So they are now proposing the nationalisation of the Big Four.

Their instinct was sound. Recent market research has already shown that 55 per cent of customers say they would probably not stay with their bank if it were nationalised.

It is not difficult to imagine where the grass would seem greener. There are many alternatives for personal customers, and business customers could turn to the 300 or so merchant and foreign banks in the City.

## DID YOU KNOW?

About one in seven of bank customers have changed banks at some time in their lives—28% because they thought another bank would give them better service.

## PUBLIC DISCUSSION.

Over 10,000 people have already sent us their own views on the Banks Debate.

What do you think about the issues raised here?

How would nationalisation affect competition between banks? Would branch managers be able to exercise as much personal judgement? Would services grow better or worse?

If you have views on these questions—whether for or against bank nationalisation—please let us know. It will increase our understanding of public opinion on this important issue.

We will do our best to answer every correspondent.

## NOW TELL US WHAT YOU THINK.

You can write your comments on this coupon alone, or enclose it with a letter. Address your reply to THE BANKS, 10 Lombard Street, London EC3V 4AP. Or deliver it to any branch of any bank listed below, in an envelope marked "The Banks Debate".

Name \_\_\_\_\_ Address \_\_\_\_\_ 72

# THE BANKS



## OVERSEAS

# OAU leaders discuss new assistance to Rhodesia's neighbours

From Nicholas Ashford  
Libreville, Gabon, June 26

The growing conflict in southern Africa, and in particular Rhodesia's raids into neighbouring black states, has so far dominated the proceedings of the Organisation of African Unity's Council of Ministers meeting in the Gubonne capital.

Today the Council decided to set up a special 10-nation ad hoc committee, under the chairmanship of Togo, to discuss what new assistance the organisation can give to the three "victims of Rhodesian aggression"—Mozambique, Zambia and Botswana. The committee will present its recommendations to the African heads of state meeting which begins here at the end of the week.

Yesterday resolutions were approved committing OAU members to provide military help to Mozambique and give additional material support to the Rhodesian nationalists. Mr Peter Onu, the organisation's spokesman, said it would be "reasonable to expect the additional support of the Rhodesian nationalists to include military assistance".

The OAU Council of Ministers also decided to send a delegation of five ministers to New York to attend Tuesday's meeting of the United Nations Security Council on Mozambique's allegations of Rhodesian attacks. The ministers—from Algeria, Gabon, Lesotho, Liberia and Nigeria—left here today and will be joined in New York by representatives from the five "front line" states.

The growing sense of urgency with which the OAU is regarding southern Africa is shown in the fact that a special committee is being set up to deal with the matter being put in the hands of the organisation's defence commission. "The time has now come for action", Mr Onu said.

But the creation of the new committee also underscores black Africa's impotence and its inability to find a solution—either military or peaceful—to the intractable problem of white rule in southern Africa. There are already two other committees in existence whose basic task is to promote the liberation process and bring white rule to an end but they have failed in these aims so far.

The formation of the new committee is also seen as an attempt to draw the Mozambique from looking beyond the shores of Africa for additional military support.

## Meeting of black groups called on Soweto unrest

Johannesburg, June 26.—South African black political parties and groupings will meet tomorrow to discuss the situation in Soweto township, the scene of persistent student unrest.

It will be the first time that groups so varied have met since the start of anti-apartheid demonstrations in the townships more than a year ago.

The Daily World, the black newspaper sponsoring the

## Italian team may be barred from world bridge

By a Bridge Correspondent

The Italian open bridge team, winners of 12 world and three Olympic championships since 1958, may be excluded from this year's competitions.

This appeared to be the intention of the World Bridge Federation (WBF), which issued a statement yesterday saying it deplored the manner in which the Italian Bridge Federation (IBF) had investigated serious allegations against members of the Italian championship team.

Disciplinary action against the IBF was threatened unless it took action to reach a final decision about the accusations.

The statement said the WBF management committee had unanimously decided to give the IBF three months from June 2 to do this.

Before that period expires, Italy is due to defend its European championship title in Denmark. The winner will go on to represent Europe at the world championships in the Bermuda Bowl in Manila. It is that contest which will take place after the WBF time limit expires and gives rise to the view that the Italian team might be excluded should it win in Denmark and the IBF investigation fails to satisfy the WBF.

The first allegation against the Italian players came during the course of the 1975 world championship contest, when a pair were accused of signalling to each other by means of "foot-tapping" under the table.

Then, on the eve of last year's world and Olympic championships, an Italian player, Signor Leandro Burgay, released a tape recording of an alleged conversation with a former member of the championship team, Signor Benito Bianchi, in which Signor Bianchi appeared to accuse fellow members of having used private codes for signalling their cards to one another for several years.

The Italian Bridge Federation officially learnt of these allegations in February last year. An inquiry was started but not completed before the world championships in May. The WBF was told the investigation was being pursued energetically.

More than one year later the Italian federation emerged with a judgment which neither questioned the validity of the tape nor found either the accused guilty of anything other than having discussed the matter abroad.

It was this inconclusive decision which led the WBF to consider the case and issue its statement yesterday demanding that the IBF remedy the situation.

## Russian warships go into Mediterranean

Istanbul, June 26.—Three Soviet warships passed through the Bosphorus on their way to the Mediterranean. The vessels were a Sverdlov class cruiser and two Naruska class missile-firing patrol ships—Agence France Presse.

The refugees say that a widespread purge is still going on in Uganda, in an effort to round up the conspirators.

Stringent checks are made on Ugandans trying to leave the country. One bus from Kampala to Nairobi left with 30 people on board, but only five were allowed to cross the border into Kenya. The fate of the others taken on board is not known.

Passengers said they had seen several bodies beside the road at army checkpoints on the route.

President Amin denied the reports of an assassination attempt when he was interviewed by a party of black American visitors. Uganda radio quotes him as saying that no Ugandan soldiers have been detected, but claiming that Uganda is trying to infiltrate into Uganda with arms have been intercepted. They will be tried and sentenced.

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Israeli haven: Vietnamese refugees arriving by airliner in Tel Aviv yesterday to begin a new life.

## A new life for 66 Vietnamese

From Moshe Brilliant  
Tel Aviv, June 26

Sixty-six refugees from communism, who stole out of Vietnam with no fixed destination in mind, today accepted haven in Israel, probably one of the last places they thought

of when they sailed into the Pacific on June 4.

The refugees were rescued from a sinking fishing boat near the Gulf of Siam by an Israeli cargo ship on June 3, and were offered asylum here after attempts to find another country to take them failed.

Mr Beigin, the new Prime Minister, ordered their admission to Israel the day he assumed office. He said their odyssey triggered memories of boatloads of Jewish refugees from Hitlerism roaming the seas in a futile search for an open door.

The organizer of the escape was Major Le Dinh Quy, aged 36, who spent eight years in a Communist prisoner-of-war camp.

The group comprised 17 fishermen from Phien Thiet and the rest were from Saigon and included a surgeon, two dentists, students, a driver, 16 women and 16 children.

The major was reticent about the arrangements for the escape, which he said took four months. Others said they paid substantial sums to raise 100 ounces of gold for the escape boat.

On their arrival today a representative of Mr Beigin greeted them at the airport.

They were taken to Ofakim in the Negev, where they were accommodated in an absorption centre for academic immigrants. Before leaving the airport, they were each given 100 new shopping bags with food supplies for several days.

The mayor of Ofakim said there were jobs for the arrivals in the town's textile plants. If the refugees remain in Israel, they will receive training on the same terms as Jewish immigrants.

## Problems in Horn of Africa as Djibouti becomes independent republic today

From Charles Hargrove  
Paris, June 26

Republic of Djibouti at midnight tonight marks the end of 17 years of French rule in the Red Sea, and of the European presence in Africa, except in the minute Spanish territories of Ceuta and Melilla on the coast of Morocco.

The accession to independence, however, of this inhospitable territory of 8,900 square miles, with a population of less than a quarter of a million, is likely to upset the balance of power in a particularly explosive part of Africa.

Located in the Horn of the continent on the straits of Bab el Mandab, which control access to the Red Sea, it has a strategic position of great importance. France held a pre-emptive balance between rival ethnic groups in it and kept the predatory ambitions of powerful neighbours at bay.

The two rival ethnic groups, the Afars who are regarded as closer to Ethiopia, and the Issas, of undoubted Somali stock, seemed bound to fly at each other's throats the moment the French tricolour was lowered and to provide pretexts for intervention by Ethiopia and Somalia.

To the Somalis Djibouti is an integral part of "Greater Somalia", which also includes a large slice of Ethiopia, to Addis Ababa, as the only viable port on the Red Sea, it is the link with the outside world. Seventy per cent of Ethiopian trade passes through Djibouti. Its occupation or control by Somalia would be a *coup de main*.

The external threat to the new republic's fragile inde-

pendence, has led to a burying of the hatchet between the Afar and Issa elements of the population in the past few months.

For years the Afar minority in Djibouti itself, which is about three-quarters Issa, was favoured by the French on the ground that the Issas were for independence and were manipulated by Somalia.

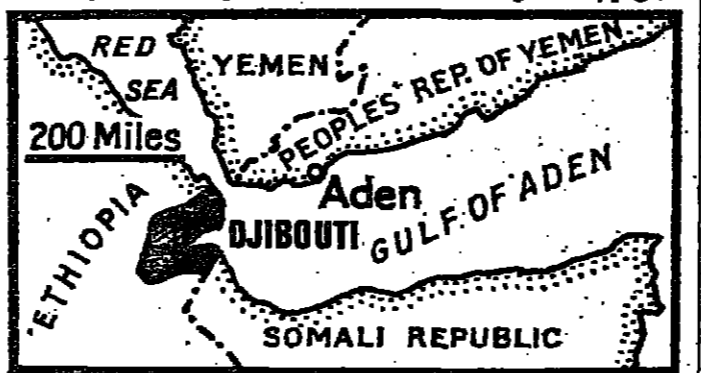
In 1976, however, having decided on self-determination for the territory, France switched to the Issas as more representative of local opinion.

An assembly of 65 seats was elected on May 8. The Issas obtained a majority of one over the Afars and the two Arab members, and Mr Hassan Ghoulid, the Issa opposition leader, became Prime Minister. Three days ago he was elected President of the new republic by acclamation in the new assembly.

The new Government is pledged to democratic rule and to "positive neutrality and non-alignment" in foreign policy. A series of agreements with France, brought to a successful conclusion last week, and the promise of aid from moderate Arab states, especially from Saudi Arabia, will help it over the stresses and strains in the immediate period after independence.

Mogadishu, June 26.—Somalia today announced recognition of the new Republic of Djibouti and said it would "resolutely support the people and Government of Djibouti in their just struggle to safeguard their state sovereignty".

Reuter.



## Sudan appeal to halt Ethiopian peasant army

From Our Own Correspondent  
Addis Ababa, June 26

The Sudan today appealed to the "international community" to stop the march of an Ethiopian peasant army on rebels and Eritrean secessionists in Ethiopia, the Sudan News Agency reported.

It quoted Mr Bona Mahwal, the Sudanese Minister of Culture and Information, as appealing for world action to block the "bloody march", with which the Ethiopian Government wanted to "exterminate" Eritreans.

His call came after a parade in Addis Ababa yesterday of 100,000 soldiers belonging to the peasant militia. Its total strength is said to be 300,000.

He said that the arming of the militia represented a violation of human rights.

Mr Deborah Levuno, a Nyangwe housewife, said that on Boxing Day a group of migrant labourers had smashed their way into her house, killed a five-year-old girl and injured two other children. Her house was burnt down.

Three police vehicles had accompanied a gang of migrant workers into the residential area, she said. A policeman sitting on the back of a vehicle beckoned to the migrants to follow. The police got out of the vehicles and went over to the residents, carrying guns.

## Holiday delays Somali trial of yacht four

Mogadishu, June 26.—The trial of a British woman European and a South African on spying charges will resume here on Tuesday.

The trial opened yesterday and was to have resumed tomorrow, but it has been put back a day because June 27 has been made a public holiday in Somalia.

The four are charged with spying after their yacht ran aground on the Somalia coast. The yacht is owned by Mr George de Neef, aged 30, of Holland. With him on board were Miss Jane Wright, aged 20, of Britain, Miss Charlene Hollis, aged 23, of South Africa, and Mr Walter de Rin, aged 33, of Switzerland.

The four pleaded not guilty on the opening day of the trial.

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## Prisoners of conscience

By David Watts

Mr Yeo Moungh Peng has been held without trial in Malaysia for more than eight years and there is no prospect of his release.

Mr Yeo, who is imprisoned under two-year detention orders which have been renewed, was secretary of a local branch of the opposition Labour Party of Malaysia (LPM) at the time of his arrest in 1968. A branch to which he had earlier belonged was proscribed by the Government in December, 1967, after allegations that it had promoted subversive and pro-communist activities.

Mr Yeo was one of many people detained in 1968 after the communists against the execution of 11 Chinese for collaborating with armed Indonesians during the "confrontation" between Malaysia and Indonesia in 1964.

The reason given for Mr Yeo's detention is that he is "knowingly, consistently and willingly acted in a manner prejudicial to the security of Malaysia by indulging in and promoting subversive and pro-communist activities to further the communist aim of overthrowing the existing Government of Malaysia through unconstitutional and revolutionary means".

The Government has not accused Mr Yeo of using violence; no formal charges have been laid against him; and there has been no opportunity to test the allegations in open court.

The case is typical of many of the political detainees, of which there are thought to be several hundred. He is held in the Batu Gajah special detention camp in Perak State, near Malaysia.

A number of opposition politicians, including a former secretary of the LPM, members of the People's Socialist Party of Malaysia, students and artists are among those held there.

Detention orders under the Internal Security Act of 1960, under which Mr Yeo is held, invests the Malaysian Government with sweeping powers of arbitrary arrest and detention. The Minister of Home Affairs is empowered to order the detention of any person if he considers that person to be a threat to national security. Two-year detention orders can be, and are, frequently renewed for periods of up to 10 years.

Detention orders are subject to review by an advisory board. Although members of his board are former members of the judiciary, giving the superficial impression that detainees are subject to judicial review, in fact the board is a non-judicial body which has only the power to make recommendations to the executive.

## Carter surprise at Russian anger

From Patrick Brogan  
Washington, June 26

President Carter has now admitted that his frequent attacks on violations of human rights abroad have been bad for détente. In an interview published yesterday, he said there had been "a surprising adverse reaction in the Soviet Union to our stand on human rights".

He also said no progress had been made in the arms limitation (SALT II) negotiations since Mr Vance, the Secretary of State, met Mr Gromyko, the Soviet Foreign Minister, in Geneva last month.

The President maintained that the Russian reaction was unreasonable. He said: "We have never singled them out. I think I have been quite reticent in trying to publicly condemn the Soviets. I have never said anything 'except' camp-biliary things about Mr Brezhnev, for instance. But apparently that has provided a greater obstacle to other friendly pursuits, common goals like SALT, than I had anticipated."

Mr Carter also conceded that some international problems would take longer to solve than he had expected, and implied that some might turn out to be insoluble.

The President is asked about the relationship between human rights and détente at every press conference given, and always answers he does not criticize the Soviet Union in particular, simply that if the cap fits, then Russians must wear it.

Mr Carter has not done a thing to offend the Russians for several months now. It resembles all the way back to early stages of his presidency when he wrote to Dr And Sakharov and met Mr Vladimir Bukovsky, the Soviet dissident, instructed the State Department to issue strong denunciations of various specific abuses in the Soviet Union.

However, he has never withdrawn any of his earlier remarks or repudiated any of his actions.

Mr Vance, who was in Moscow last week, immediately after his first official visit as President, has admitted that relations between America and the Soviet Union are cool and show signs of improving.

After the complete failure of his first official visit as President, he hoped that the relationship between the two superpowers would be better, as the Russians studied the American proposals on SALT II more closely. That hope has not been fulfilled.

## Philippines to release 500 detainees

From Our Special Correspondent  
Manila, June 26

President Marcos of the Philippines announced today that he will release 500 prisoners, including 167 political detainees, who have been held without trial.

The announcement, an apparent attempt to placate Washington on the question of human rights, was issued almost three weeks after President Marcos admitted that the Army is holding 4,764 prisoners, including 598 political suspects, without trial.

The President also announced that two Army officers charged with torture and he will not tolerate any cases of malpractices in detention centres in future.

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## US to supply Israel with \$115m in arms

Tel Aviv, June 26

United States is to supply with \$115m (557m) worth of tanks, armoured cars and anti-missile missiles, Mr Menahem Beigin, the Israeli Prime Minister, announced today.

He told Israel Radio: "It is a good decision on the part of the United States. It is also a sign of friendship between the U.S. and Israel."

The daily newspaper M said it was the first time Israel had authorized an arms deal with Israel since he became President. It attributed Mr Beigin's decision to a House decision to ensure from American Jewish Israel's friends in the Senate.

The newspaper commented that Israel and the U.S. were "in confrontation over American proposals for Palestinian homeland in occupied West Bank and a total Israeli withdrawal captured Arab land."

"One can find comfort in the fact that the conflict is not an argument or a dialect but a real change of reality," Mr Beigin formally presented the members of his Cabinet to President Eph Kazar today and said he was able to include the Druze Movement for the Cause of its coalition Government soon.

The Cabinet met today for the first time.—AP.

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## VENTH win in eight itches puts icestershire top

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## Serjeant and Cosier lead the onslaught

NOTTINGHAM: Nottinghamshire,

with nine second, wickets in hand,

need 321 runs to avoid an innings

defeat by the Australians.

Craig Serjeant and Gary Cosier

led the way with centuries as the

Australians piled up 531 against

Nottinghamshire at Trent Bridge

yesterday. This was the highest

total in England this year. Then

the Australians captured the wicket

of Harris without a run on the

board as the county faced the

task of avoiding an innings defeat.

Serjeant reached his 100 in 106

minutes, while Cosier, who had

been bowled in the first session,

was back in the middle of the

game, having been bowled in the

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Cosier: back to form.

NOTTINGHAMSHIRE: First Innings.

M. J. Harris, c. M. J. Harris, b. M. J. Harris, 0.

P. A. Wilkinson, not out, 0.

Total 106, 106 overs, 106 runs.

FALL OF WICKETS: 1-0, 2-0, 3-0, 4-0, 5-0, 6-0, 7-0, 8-0, 9-0, 10-0.

NOTTINGHAMSHIRE: Second Innings.

M. J. Harris, c. M. J. Harris, b. M. J. Harris, 0.

P. A. Wilkinson, not out, 0.

Total 106, 106 overs, 106 runs.

FALL OF WICKETS: 1-0, 2-0, 3-0, 4-0, 5-0, 6-0, 7-0, 8-0, 9-0, 10-0.

NOTTINGHAMSHIRE: Third Innings.

M. J. Harris, c. M. J. Harris, b. M. J. Harris, 0.

P. A. Wilkinson, not out, 0.

Total 106, 106 overs, 106 runs.

FALL OF WICKETS: 1-0, 2-0, 3-0, 4-0, 5-0, 6-0, 7-0, 8-0, 9-0, 10-0.

NOTTINGHAMSHIRE: Fourth Innings.

M. J. Harris, c. M. J. Harris, b. M. J. Harris, 0.

P. A. Wilkinson, not out, 0.

Total 106, 106 overs, 106 runs.

FALL OF WICKETS: 1-0, 2-0, 3-0, 4-0, 5-0, 6-0, 7-0, 8-0, 9-0, 10-0.

NOTTINGHAMSHIRE: Fifth Innings.

M. J. Harris, c. M. J. Harris, b. M. J. Harris, 0.

P. A. Wilkinson, not out, 0.

Total 106, 106 overs, 106 runs.

FALL OF WICKETS: 1-0, 2-0, 3-0, 4-0, 5-0, 6-0, 7-0, 8-0, 9-0, 10-0.

NOTTINGHAMSHIRE: Sixth Innings.

M. J. Harris, c. M. J. Harris, b. M. J. Harris, 0.

P. A. Wilkinson, not out, 0.

Total 106, 106 overs, 106 runs.

FALL OF WICKETS: 1-0, 2-0, 3-0, 4-0, 5-0, 6-0, 7-0, 8-0, 9-0, 10-0.

NOTTINGHAMSHIRE: Seventh Innings.

M. J. Harris, c. M. J. Harris, b. M. J. Harris, 0.

P. A. Wilkinson, not out, 0.

Total 106, 106 overs, 106 runs.

FALL OF WICKETS: 1-0, 2-0, 3-0, 4-0, 5-0, 6-0, 7-0, 8-0, 9-0, 10-0.

NOTTINGHAMSHIRE: Eighth Innings.

M. J. Harris, c. M. J. Harris, b. M. J. Harris, 0.

P. A. Wilkinson, not out, 0.

Total 106, 106 overs, 106 runs.

FALL OF WICKETS: 1-0, 2-0, 3-0, 4-0, 5-0, 6-0, 7-0, 8-0, 9-0, 10-0.

NOTTINGHAMSHIRE: Ninth Innings.

M. J. Harris, c. M. J. Harris, b. M. J. Harris, 0.

P. A. Wilkinson, not out, 0.

Total 106, 106 overs, 106 runs.

FALL OF WICKETS: 1-0, 2-0, 3-0, 4-0, 5-0, 6-0, 7-0, 8-0, 9-0, 10-0.

NOTTINGHAMSHIRE: Tenth Innings.

M. J. Harris, c. M. J. Harris, b. M. J. Harris, 0.

P. A. Wilkinson, not out, 0.

Total 106, 106 overs, 106 runs.

FALL OF WICKETS: 1-0, 2-0, 3-0, 4-0, 5-0, 6-0, 7-0, 8-0, 9-0, 10-0.

NOTTINGHAMSHIRE: Eleventh Innings.

M. J. Harris, c. M. J. Harris, b. M. J. Harris, 0.

P. A. Wilkinson, not out, 0.

Total 106, 106 overs, 106 runs.

FALL OF WICKETS: 1-0, 2-0, 3-0, 4-0, 5-0, 6-0, 7-0, 8-0, 9-0, 10-0.

NOTTINGHAMSHIRE: Twelfth Innings.

M. J. Harris, c. M. J. Harris, b. M. J. Harris, 0.

P. A. Wilkinson, not out, 0.

Total 106, 106 overs, 106 runs.

FALL OF WICKETS: 1-0, 2-0, 3-0, 4-0, 5-0, 6-0, 7-0, 8-0, 9-0, 10-0.

NOTTINGHAMSHIRE: Thirteenth Innings.

M. J. Harris, c. M. J. Harris, b. M. J. Harris, 0.

P. A. Wilkinson, not out, 0.

Total





**Mrs Winnie Mandela with her daughter Zinzi.**

As its title suggests, Professor Waite's book offers psycho-analytical evidence—some convincing, some not—of Hitler's

"Why did Hitler seek to destroy all the Jews in Europe? It's also a legitimate question, which cannot be answered by the commonsense, rational approach. The fact is that when Hitler was destroying the Jews in 1942, 43, 44, and at the beginning of 1945, he was doing it at precisely the time when he could not afford, pragmatically, to do it. That was the time when the Red Army was counter-attacking along 3,000 miles of front, the Allies were pushing in from the west, and Hitler needed all his available material, man-hours, transport

But there was also a political purpose in antisemitism, which Professor Waite describes as "the characteristic of German fascism". Before Hitler's rise to power in 1933, Germany had been prey to what the professor calls two of the most potent forces of the twentieth century, nationalism and antisemitism.

Hitler joined these together in his National Socialist party—a brilliant political movement—and he also used the Jew very effectively. He would say to nationalists, the conservatives, the capitalists, "I'm not opposed

In the end, though, it was the patriarchal tendencies which came out on "Throughout Hider's" Professor Waite says, "there is a pattern of taking needless risks, of doing things that invite failure, of becoming involved in situations most

The world is notoriously bad at learning the lessons of history. The war to end all wars provoked them instead. The dreadful techniques of the Third Reich are apparently still practised in the same manner today. Political violence and terrorism are commonplace. In West Germany itself neo-Nazi ranc and stamp. Perhaps it is still too early for people to do anything more than shake their heads sadly and say, in Professor Walter's own words, "A disaster happened and that's all." The question why may have to wait for another time.

**David Sinclair**

financial, only to the Jewish-capitalised capital'. And to the German workers, who were socialists, he would say: 'I'm not opposed to socialism, just to Marxist Jewish socialism. What we need here is a true German National Socialism programme.'

It is such brilliance, such political cunning, rather than Hitler's psychopathology, which is hard to explain. In one of his many lectures on his "success story", Professor Waite says, "The flawed and neurotic failure of Linz and Vienna, who's in jail in 1924, who has no party, no political movement, no friends, no money, no power, no money, and within another five he's the arbiter of Europe. And he was also one of the great military strategists. Think of some of those campaigns—the breakthrough in France, the Norwegian campaign. He could act with shattering effectiveness."

Certainly he was shatteringly effective in the political campaign which brought "this funny little man, nondescript little character" to power in a Germany whose people "wanted terribly to hate". To them Hitler was "the mass man who came with some title people could identify". He was aware of certain tendencies in German history and had superb "insights into the German mind".

In the end, though, it was the psychopathic tendencies which came out on top. "Throughout his life," Professor Waite says, "there is a pattern of taking needless risks, of doing things that invite failure, of becoming involved in situations most

draught with danger. Hitler calls himself a gambler, but he gambles at incredibly bad odds—"For instance, when the war in Russia goes down, when Hitler is losing, when there is a revolution in Germany, when the Wehrmacht, what does Hitler do? On his own initiative without informing the Wehrmacht or the foreign press, he declares war on the United States, guaranteeing his defeat. Consciously he is trying to win, but unconsciously there is an undertow of self-destruction. In a very real sense, Hitler organized his own downfall."

But where does all this lead? If Hitler is unreal as a demon, is he any less so as the patient of the psychoanalyst? Professor Waite's fascinating book—though some of its conclusions are surely debatable—is not predetermined, as is often the way with psychology—provides compelling insights into the probable workings of a monster's mind. But, apart from generating intellectual stimulation, what end does that do?

It is a book that should be read at learning the lessons of history. The war to end all wars provoked them instead. The dreadful techniques of the Third Reich are apparently still practised in some countries today. Political violence and terrorism are commonplace. In Germany, the Nazis are in ranc and stamp. Perhaps it is still too early for people to do anything more than shake their heads sadly and say, in Professor Waite's own words, "Hitler happened."

The answer to that, I think, may have to wait for another time.

David Sinclair

[illegible]

## ARTS

## MONDAY BOOK

## Itan premiere

Musicians' Orchestra, Smith Square

## Itan

to believe that any Sir William Walton is unperformed for and yet his *Prologue*, composed in its first hearing only a few years ago, is a television concert never used; nor is the piece in the concert hall. It is a five-minute piece in the ceremonial style of the family in William Corneville and similar works. It is a five-minute piece in the ceremonial style of the family in William Corneville and similar works. It is a five-minute piece in the ceremonial style of the family in William Corneville and similar works.

## Itan premiere

Elizabeth Hall

its first movement; their manner contrasts curiously with that of the graceful andante which follows.

The orchestra's strings were tested by Britten's *Les Illuminations*; it calls for playing cleaner and sharper of edge than they were able to provide. But one could enjoy Alexander Oliver's clear and athletic articulation as well as his softly played, elegiac, style essentially more lyrical than we are used to for Britten, but one that has things to offer.

In the *Cantata Misericordiam*, Britten's offering on the Red Cross centenary of 1914-15, he was joined by Christian in his clear and athletic articulation as well as his softly played, elegiac, style essentially more lyrical than we are used to for Britten, but one that has things to offer.

## It's teenage opera

opera, *Don Sancho*, at the age of 14, in its first performance in 1825, the first List Festival, plans for which were announced.

It was thought for a time that the opera, but has since been restored intact at the

is described as not of Rossini's conventional *Count Ory* and the opera's serious production of the will be used on the College Theatre performance in

de Souza, the festival would be a cost of £10,000. "We hope it will be prepared to

Walton piece they displayed their usual combination of youthful enthusiasm and a surprisingly high level of accomplishment, so that a lack of focus in Vaughan Williams's *Greenaway's Fantasia* was unexpected.

Randall's *Music for the Royal Fireworks*, in an edition by Anthony Bonnes and Charles Mackerras, showed more spirit and a higher level of ensemble accuracy, but the main test of the evening was Elgar's *Symphony No. 1*. Mr. Blair had obviously prepared this conscientiously, and great care was apparent in observing the composer's markings. Yet as this long work unfolded, the textures gradually became unbalanced, the brass in particular predominating in the final movement.

It is true that Elgar wrote for the brass in an exuberant, indeed virtuosic manner, but the calculations were based on the presence of a large and pervasive body of strings; the Young Musicians' Symphony Orchestra has plenty of strings, but they did not in this work provide the necessary foundation for the overall sound.

Again, while there is no doubting the admirable spirit of this performance, it did not reflect the music's depth and intensity. Major late romantic symphonies are scarcely the best repertoire for such youthful players.



Peter Maxwell Davies at home.

## St Magnus Festival Orkney Islands

## Paul Griffiths

I return from Orkney, where the first St Magnus Festival has just ended, with vivid musical memories, certainly, but also with a longing for the light and the landscape of the far north. There, well after midnight, sea and sky meet in clear blue and copper, the land a thin black shape on the swaths of colour. It is a scene that accepts and mirrors the music of Peter Maxwell Davies, whose brainchild the festival was, and whose works dominated its main events.

There can be no doubt of Davies's desire for remoteness and solitude. From Heathrow to Kirkwall is a comfortable journey of two and a half hours by British Airways, but to reach the composer's home requires more arduous travels, as I discovered. Irregular bus or elusive hired car will take you to Stromness, the second town on the mainland of Orkney. From there you go by "Seaview ferry to Hoy", celebrated by Davies in a piano piece, to the island of mountain, bog and cliff where he has made his home. It is then a stiff walk of five miles across country to Rackwick, on the

other side of the island. You climb past the homely habitations above Moaness Pier, between Ward Hill and the cliffs, until from two miles away the "village" comes into view.

The sight is one of cursed beauty. Rackwick is a desolate scattering of decaying stone crofts in a wide valley which the heather has reclaimed from the oats. It is a place that has died, receiving its final sentence in 1952 when two boys, the last children of the community, were accidentally drowned in the burn. Davies's *Dark Angels*, which Mary Thomas and Timothy Walker performed during the festival, tells its story in a haunted setting; of two poems by George Mackay Brown, the one a dialogue for the drowning brothers, the other a litany of the dead hearts. The festival performance of this music was a good one, good enough to keep returning as I looked at the slack roofs and discoloured doors of Rackwick, smelt the cold, acrid odour of centuries of peat smoke.

At Rackwick one might be at the end of the world, were it not for the view of the north Scottish coast across the Pentlands Firth. Davies's tiny two-roomed cottage, however, is remote even from this outpost. It rests above and beyond the abandoned crofts, on a ledge which slopes steeply to the sea 200ft below. In this lonely place Davies has written all his works of the past three years,

including his Orkney opera *The Martyrdom of St Magnus*, which I reviewed on this page last Monday.

The festival's most important concert, given by the Fires of London, was also mainly of music from the Hoy cliffs. *Kinloch's Fantasia*, an arrangement of an early seventeenth-century Scottish piece, was written for Sir and Mrs J. Clark, Davies's neighbours of half a mile. *Ave maris stelle*, which received a compelling performance from the Fires instrumental sextet, was the first large work Davies composed in his Rackwick cottage. *Dark Angels* and other arrangements of Renaissance Scottish dances and a Dunsable motif, completed the programme.

To hear these works in Orkney, to hear them and then to see the place where they were composed, has immeasurably deepened my understanding of Davies's recent music. *Dark Angels* is now for me the lost song of Rackwick; *A Mirror of Whiting Light* I have seen in the bay below the composer's cottage. Davies placed right to establish a festival in these islands, but equally he would have been wrong to make the event entirely a Davies occasion.

It was not so. Morning and afternoon recitals offered Bach, Scottish bagpipe and fiddle music, and twentieth-century classics played by members of the Fires. One evening concert, when the children of Kirkwall Grammar

School showed limited allegiance to the new Orkneyman in a performance of his *O magnum mysterium*, also had the music of the Hoy cliffs. Davies gave sure accounts of sixteenth-century Scottish polyphony and the twelfth-century Hymn to St Magnus, this in the great red-sandstone Norman church for which it was written. The Edinburgh Quartet came over with Mozart and Beethoven and with the third quartet by the contemporary Scottish composer Thomas Wilson.

The question remains whether Orkney wants a festival. They came in their boats from Hoy and from Rousay, and there was so much to understand, enthusiasm at the open dress rehearsal of *The Martyrdom*. Yet the general mood I detected was one of wary waiting. That may be an improving sign, for the festival is a long way from being a success. It is a long way from being a success. It is a long way from being a success.

## Complex enigma

The Gentle Barbarian: The Life and Work of Turgenev By V. S. Pritchett

(Chatto &amp; Windus, £5.95)

Turgenev offers three main strands of interest. Choosing between the

critic of beautiful lyrical prose, the author of nostalgic idylls of country life, the elegant poet of the last enchantments of decaying country-houses and of their inevitable but irresistible successors, the incomparable story-teller with a marvellous gift for describing the nuances of mood and feeling, the poetry of nature and of love.

and the writer who was alternately the hope and despair of revolutionaries and the hope of the Tsar, Sir Isaiah Berlin took the latter as the subject for his memorable *Romanes Lecture* seven years ago. Sir Victor Pritchett's book embraces both of these strands and adds the third of Turgenev's extraordinary life from childhood with his repulsive mother to his eventual haven with Pauline Viardot.

In these and in all other phases the main interest is not in events but in Turgenev himself. He was a complex enigma, whom a dozen friends would not have been able to solve. Constant throughout was his attractive bearing. If one can pick any quarrel with this volume, it is with the title. Mixed coinage from the Goncourt Mint, *The Gentle Barbarian* rings false. Turgenev was multilingual and among the most civilized of men.

Were there no other famous actor in the story of Turgenev's life would retain its spell, but the cast is star-studded. What strikes one is how connected the famous Russian writers of that time were. Turgenev, Belinsky, Tolstoy, Dostoevsky, Gorky, Herzen, Bakunin, Aksakov, they met in St Petersburg in Moscow, in Berlin, in Paris, in London, in Rome. They drank. They talked. They quarrelled. Each assiduously read what the others wrote. More important, each read another's new work in the light of his own frustrations, disappointments, and

hopes. Turgenev being among the greatest of them and the most ambivalent, suffered the most extreme praise and obloquy.

Outlasting all these in Turgenev's life was Pauline Viardot. The precise length to which the attachment went was probably never known. Why need it be? The one thing that matters is that there was nothing sordid in it. The noble figure was Viardot herself. April Fitzton told the story memorably in *The Poet of Genesis*. Sir Victor adds to the tributes paid to her work. When Turgenev's fiction is being discussed by English-speaking people one name should be remembered. How much we owe to Constant Garnett's 17 volumes.

Sir Victor is a sound and companionable guide through these works. He deals with them as they are in his narrative of Turgenev's life. He links them to its main incidents and characters. He makes the point that necessary as Pauline Viardot was to Turgenev, he reached his highest powers as a novelist during a period when the friendship was in abeyance. He makes no attempt to judge the merits of the old German musician in *A House of Gentlefolk*, moves him as other readers have been moved. Dabbling in the eyes when the last scene of the tale is reached, he adds: "It strikes us again that Turgenev himself is moved by the rise and fall of love and not by the fullness of love realized." We must not let this confirmation coming on top of so many others, that *Fathers and Sons* is Turgenev's masterpiece, though for us it has no magic. He picks out *The Singers* and *First Love* as the most beautiful of his novels. He has. We close his book convinced that Henry James was right in declaring that Turgenev "was the most generous, the most tender, the most delightful of men; his love nature overflowed with the love of justice; but he was also of the stuff of which glories are made."

William Halsey

## Funny but manipulated

Singles Greenwich

## Irving Wardle

John Bowen says he found the idea for this comedy in a New Statesman advertisement for a woman who was looking for a man who would give her a child. The piece begins by following up the obvious question: who would place such an advertisement; and what answer it; and on what terms would they meet?

We are in a bright yellow flat in Barnes (designed and sparsely furnished by Peter Rice), with a severe young woman at a table forlornly interviewing an amiable young man on the couch. Age, parentage, education, family finances: he might be applying for immigration papers. By degrees we learn that Brian is the eighth candidate, works on a radio arts programme, and is "straight up and down" where sex is concerned. He gets the job (£75, cash in hand), and when he leaves he gives a good deal about him. Of Sophie we learn almost nothing.

Apart from the arrival of her anxious mother, this scene forms a compact and sharply amusing revue sketch. The weaknesses of what follows is that characters who have been assembled to solve the opening riddle are stretched to the length of two acts. Because it is amusing for a sexual transaction to be conducted in bureaucratic dialogue, Sophie and Brian are lumbered with that relationship for the rest of the play.

Mr Bowen, a thrifty and resourceful craftsman, has overlooked the New Statesman itself as a clue to plot development and a means to weave a larger social fabric round the central situation. It represents the values of Sophie's parents (split between Oxbridge and marketing), and the underpaid intellectual fringe to which Brian belongs.

On that basis, Mr Bowen also introduces the figure of a roach-head window cleaner, whom Sophie employs as a stop-gap, and who is finally met by Brian and the parents in a new middle-class alliance.

The immediate motive of this piece is to look after the baby that Sophie decides she does not want after all. In terms of plot construction this is another cunning move. The opening scenes suggest a cul-de-sac with only two possible and equally banal alternatives.

Thoughtfully as the play has been put together there is an increasing sense that the people are being manipulated to fit the events.

Sophie's example is that of Eric Thompson's production she is played by Frances de la Tour, an actress who excels in conveying precise thought processes, and spontaneous conviction to her early scenes. Even so, given the play's development, she winds up as an enigmatic monster. Ray Brooks's Brian, likewise, is dedicated with unbelievably self-conscious responses. When they get a chance, Gwen Watford and Peter Howell are very funny as the bewildered elders.

## Frames, Pulses and Interruptions

Snape Maltings

## John Percival

How easy it is to be misled by appearances! During the interval after the premiere of *Frames, Pulses and Interruptions* at the Aldeburgh Festival on Saturday, I overheard people talking about the work as experimental. But *Frames, Pulses and Interruptions* is right in the mainstream of British dance; dancers simply use their skills to make interesting patterns related to accompanying music that colours and paces what the dancers do.

Because the creators, Joan Frier and Harrison Birtwistle, are unusually intelligent, original-minded men, keenly aware of what is happening around them, their product has a look and sound that would have been impossible 50 or even 10 years ago. Also, the method of composition did involve an element of experiment, with music and choreographer carrying collaboration to the extent of actually developing their contributions simultaneously in the rehearsal studio.

The title refers to the way music and dance are built in small frames or sections of

movement and sound, related by a flexible pulse (Birtwistle's tempo directions are in the relative form "shorter than" or "longer than") and interrupted by relationships that develop among the performers, so that presumably no two performances will be identical.

None of that need worry the spectator. In fact it might be better to adopt Birtwistle's alternative title, *Pulse Field*, which conveys better the sense of a ritual game involving the performers. Four percussion players, one at each corner of the stage, in turn cue each frame by raising a hand high before striking. They are visible but their instruments hidden by the green framework of Nedine Bayly's workmanlike setting, which similarly accommodates the other players, a double bass on either side and three trombones across the back.

One dancer, Sally Owen, in ballooning bib-and-brace overalls, remains independent of the rest, her clownish repetition of falls and simple gestures providing a comic commentary against which to measure the slow, sinuous balances, measured walks and involved lifts of the other five dancers, dressed in light differently coloured and patterned for each of the work's three main sections. Ambitious in length (35 minutes), this is a thoroughly rewarding creation.

## Rastaman BBC 1

## Michael Church

There is a sizable school of thought in journalism at present which holds "conclusions" to be the prime goal of any piece of exploration. Villains are identified, and moral judgments passed, on the flimsiest of evidence: get ye behind us, all ye who are not overtly partisan.

One of the chief merits of Vanya Kewley's *Rastaman* lay in the fact that, in the course of a most beguiling documentary on the modes and manners of Jamaican Rastafarians, so many questions were raised and then left open.

Rastas, some thousands of whom now live in the slums of Kingston, take their name from the late Emperor Haile Selassie of Ethiopia whom they regard even now as their Messiah. Descended from the Israelites, where of course black, they worship a black God and believe Ethiopia to be their promised land. (But, as with Holland's Moluccans, their promised land wants nothing to do with their actual Africa.) They smoke ganja (marijuana) and grow their hair in "dreadlocks" which, for Biblical reasons, they never cut. They are regarded

by traditionalist Jamaica-as the dogs of society. They in turn contemptuously dismiss the latter as "Babylon".

So how, for example, did the Rastafarians view the Jamaica National Dance Company, whose sinuously elegant performance was intercut with images of the careworn Joyce Armstrong as she busied herself in her cardboard shack? The dancers, indistinguishable from their avant garde London counterparts, clearly surely to be classed by the celestials as Babylons: there was a "contradiction" here. The film pointed up the irony, but left things ambiguous.

And what about ganja? Rastaman Malcolm packed it reverently into a "chalice" and said it made him "feel good". Father Ho Lung considered it "ultimately destructive". Miss Kewley noted that while Rastas, who gave it to their children, thought it medicinal and conducive to inner peace, their critics believed it led to violence.

The film offered many signs of the Rasta's creative response to their oppression, from their ritualistic language and dress to their living theology. Will they settle for colonial Africa in the West Indies, or will they prove just another political time-bomb? We can only watch and hope.

at the Round House, London, on July 5.

Christopher Bruce dances the role of poet Federico Garcia Lorca in Ballet Rambert's new full length work, *Cruel Garden*

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new play by Robert Bolt

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"Paul Scofield gives a superlative performance" (Michael Billington, Guardian)

"Peter Hall's swift, gorgeous production would be a triumph in any age" (Bernard Levin, Sunday Times)

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"The kind of Shakespeare I like... the jewel is John Gielgud's Caesar" (John Barber, Daily Telegraph)

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"Complete success... neither the pace nor the crackle ever lessens" (Bernard Levin, Sunday Times)

"Wickedly funny" (Michael Billington, Guardian)

## Last Performances TALES FROM THE VIENNA WOODS

by Ödön von Horváth, translated by Christopher Hampton

OLIVIER THEATRE: July 4, 5, 12, 13 m & e, Aug 6 m & e, 8, 24, 25 m & e (Also June 27)

"A gold-plated success" (Sheridan Morley, Punch)

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"To Those Born Later" Brecht's poems and songs July 1, 2 m & e

"Strawberry Fields" by Stephen Pothoff July 3, 9 m & e

Visiting: "Kemp's Jig" Chris Harris's one-man roadshow July 11, 15, 16 m & e London Theatre Group in "East" by Steven Berkoff July 18, 19, 20, 21 m & e, 22, 23 m & e and "Metamorphosis" by Franz Kafka, adapted by Steven Berkoff July 19, 30 m & e Aug 1, 2

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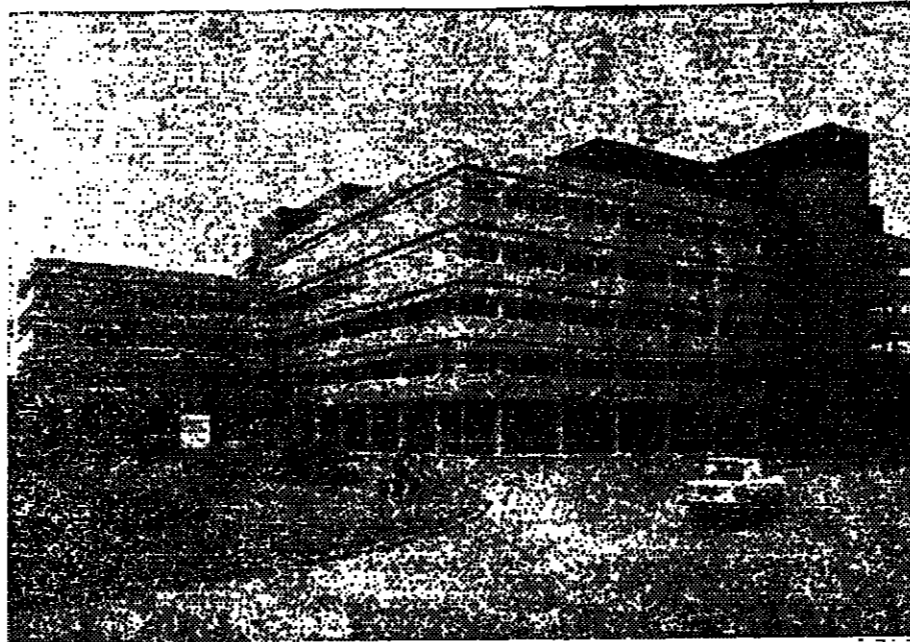
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## Brighton or Bow Road?

By a Staff Reporter

A self-contained office building at 11-17 Bow Road, in east London, is on offer at a rental of about £4 a sq ft. That information is given in interest by the claim of the agents, Healey and Baker, that the asking figure is lower than the going rate in most provincial office centres.

Certainly, the rent is low by Greater London standards and, as the agents point out, proximity to the City (only four Underground stations from the Bank) may well prove an attraction. It is, for instance, considerably lower than that of a much smaller building just off Finsbury Square, on the edge of the City, for which the same agents are quoting nearly £10 a sq ft.

It is also markedly less than in Kensington, which is further from the City, in the opposite but probably more fashionable direction where, according to Jones Lang Wootton, "rents of around £9 a sq ft are the

norm for new air-conditioned buildings, and are comparable to rents in the West End". But lower than most provincial office centres? Not according to the London Life Association Ltd, which has just let a new five-storey development in Norwich to the Stationery Office. The rent of £23,500 for 126,000 sq ft is claimed to be a record for the city, but still works out at only about £2.25 a sq ft.

Again, another new development, this time in Leicester, is on offer at only £1.65 a sq ft. Known as St John's House, it consists of 51,000 sq ft of air-conditioned offices on 10 floors, opposite the Central railway station and adjacent to the main business district. The agents, Green & Smith and Bosfield Hirst.

The attractions of beautiful natural and man-made surroundings are reflected in the asking rent of £3.60 for Brianna House, Queen's Road, Finsbury Square, on the edge of the City, for which the same agents are quoting nearly £10 a sq ft.

where the successful company should aspire to have its home. The answer is London, where Confederation Life is developing "possibly the finest office accommodation in the Midlands and Home Counties". The lucky applicants will be able to impress their clients with a sophisticated (sic) fluorescent lighting system, blown modulated window frames with (sic) armoured glass and a marvellous floor-to-ceiling

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The pool was originally known as the Great Nassau Baths and at its opening Captain Matthew Webb, the first person to swim the Channel, gave a demonstration of his formidable abilities. The young Edward Kipling is also said to have splashed about in it, while a pupil at the college, though without any marked enthusiasm.

By a Staff Reporter

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Lord Thomson looks at the development of the EEC since Britain joined

# How Europe has grown in stature, and where it has gone astray

Although the behaviour of Britain within the European Community has tested the patience of its partners over the past four years, it cannot seriously be said to have prevented Community progress that might otherwise have been made. Indeed the two major policy innovations on the external and internal fronts—the Lome Convention and the Regional Development Fund respectively—owe a good deal to Britain's arrival in the Community.

The inflation and recession of recent years has produced divergence instead of convergence in the national economies. But the European Community has the considerable achievement to its credit of having prevented these powerful economic forces from driving national governments into competitive protectionism. The member states of the Community have been dissuaded from exporting their unemployment to each other. And collectively they have exercised a substantial positive influence over the behaviour of the United States and Japan.

The European Community these days suffers from the British disease of self-deprecation. It is regarded with

much more respect abroad than it has for itself at home. In Tokyo or Delhi or Canberra—or Moscow which does not even recognize the Community—it is treated quite rightly as a major factor on the world economic stage, encompassing as it does 40 per cent of world trade. For the Third World, the Community's role is particularly important and its achievements have been markedly more successful than many feared at the time of British entry.

The internal record of progress of the Community has been by no means as impressive as its external impact. But a potentially significant beginning has been made in the Community's regional strategy.

As the new Regional Commissioner I found, gathering dust on the table of the Council of Ministers, proposals for regional transfers of around 150 million units of account for a three-year period. The Regional Fund finally agreed two years later by the heads of government at the Paris summit is widely—and in my view rightly—regarded as excessively modest, but it has amounted to 1,300 million units of account over the same

three-year span. And it has been accompanied by a steady growth in the other Community resources with regional applications—the Social Fund, the European Investment Bank, the Coal and Steel Community Funds, and finally and belatedly the agricultural modernization funds. In the meantime, there has been added to the classical problem of the underprivileged regions the new problem of structural unemployment.

This leads me immediately to the more positive aspects of the Community's development over the past four years to the more negative.

There is, first of all, the overall institutional imbalance between the Council of Ministers, the Commission and the European Parliament. Secondly, there is an imbalance between the Community's external and internal policies, between its industrial interests within Europe and its trading interests with the rest of the world. Thirdly, there is the grotesque imbalance between the Community's internal policies themselves; between the Common Agricultural Policy and the rest.

Ever since the days of the

clash between Professor Hallstein and President de Gaulle, it is fair to say there has been an erosion of the role of the Commission as against the Council of Ministers. Yet if there had been no Commission, there would have been no Regional Fund, no successful renegotiation and no successful campaign against protectionism. The European Parliament's role remains essentially consultative but over the past four years it has with vigour and shrewdness steadily made more and more of its existing powers.

The industrial and manufacturing sectors of the Community economy, in fact, face a special problem in the years immediately ahead. This is due to the development of structural unemployment and to the fact mentioned above that the Community has at present a built-in bias in favour of its external trading interests rather than its internal industrial interests.

Since 1974, with the need for a massive restructuring of the Community economy and the frightening growth of unemployment amongst the Community's industrial sectors, the Commission requires strengthening of its powers. It is a pity that the Community's internal policies are so out of balance.

Lord Chalfont

## South Africa must be preserved for all its people

By way of introduction on this third and final report on my recent visit to South Africa I must briefly record some of the reactions to my earlier comments. In my first article, written from Cape Town a month ago, I suggested that the West should help the South African government along the road to peaceful change, rather than harassing it into a disastrous confrontation with its black population. This provoked a furious tirade from certain left-wing south-siders, who clearly will not relinquish without a struggle their cherished blueprint for bloody revolution in Africa.

When, two weeks later, I wrote from Johannesburg describing the appalling conditions in which the black of Soweto have to live, I received a terrible going-over from the heavy mob at the other end of the political spectrum, who accused me of

unspeakably radical tendencies. "Nigger-lover" was one of the more printable epithets addressed to me by one of these profound political thinkers. I mention this not simply to demonstrate that the path of moderation is a lonely and inhospitable one, but also to illustrate the fact that there are, for the West, two distinct but related problems in Southern Africa.

Much of the sound and fury generated on the subject springs from the fact that there are a great number of people so obsessed with the idea that they resolutely refuse to recognize the importance of the other.

The first of these problems concerns the political aspirations of the 20,000,000 non-white South Africans. At present they have no effective voice in the affairs of their country, which are ordered by 4,000,000 white South Africans—and more specifically by the predomi-

nant Afrikaner ruling National Party. In pursuit of its policy of "separate development", the South African government has constructed a great defensive wall of legislation which, among other things, forbids South Africans who are not white to live in the same areas as South Africans who are; makes the marriage or sexual intercourse between whites and non-whites punishable by law; prevents the education of black and white children in the same school; reserves certain occupations for white people; and restricts the political voice of black South Africans to the "homelands" which are an integral part of the separate development policy. In addition it imposes the humiliations of "petty apartheid"—separate lavatories, segregated shops, non-white bars and railway carriages.

Let me say at once that, like my colleague Bernard Levin and millions of other reasonable and civilized people in the West, I regard this kind of institutionalized racial discrimination as odious and indefensible. It is, however, important to whom a radical or reliable guide—and I believe that it is there is now a consensus in the white political establishment, cutting across party lines, which recognises that the policy of apartheid is discredited, immoral, uneconomic and likely to do grave damage to South Africa's economy and political stability. There remains, it is true, an irredeemably obscurantist section of the white community, principally among farmers and urban artisans, for whom any radical or reliable guide—and I believe that it is there is now a consensus in the white political establishment, cutting across party lines, which recognises that the policy of apartheid is discredited, immoral, uneconomic and likely to do grave damage to South Africa's economy and political stability.

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Conversely a great deal of vital intelligence about Soviet Naval activity in the South Atlantic and Indian Ocean is obtained—and provided freely to the West—by South African radar and aerial reconnaissance. There is a mass of evidence and argument—much of it too technical and too detailed to be deployed here—to support the view that if South Africa were to move into a political alignment hostile to the West, the global balance of power would be dangerously shifted and the long-term security of the Western Alliance would be put gravely at risk.

This, then, is the measure of the dilemma which the West—and more especially the government of Britain—has to resolve in constructing an effective policy towards South Africa.

tants for them and driving more and more black moderates over the edge of frustration into despair and extremism.

Similarly those who fulminate intemperately and indiscriminately against all white South Africans—who, in the process, fatuously about "one-man-one-vote tomorrow"—are simply fuelling the larger-mentality of the Afrikaner and depriving the South African government of both the room and the incentive for manoeuvre.

This leads me to the second problem which the West faces in South Africa—its common strategic and economic importance. Whatever anyone may think about apartheid, no one with even the most elementary knowledge of international politics can be in any doubt that the South African government, for the West, is crucial to the security and prosperity of the free world. South Africa is the principal source of many of the minerals upon which the West depends, not only for its peaceful prosperity, but for the maintenance of an effective defence system. Furthermore, Africa as a whole is one of the West's most important markets.

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As I write, my desk is covered with a collection of editorial and political comments culled over the past couple of weeks on the rights and wrongs of extending the Liberal-Labour agreement into a new session of Parliament. Most of these are items I had noticed briefly and put to one side for later scrutiny and some, like that of the current *Spectator*, have been sent to me by the authors, who have felt the need for my enlightenment.

Into the wastepaper basket without further reading go all those items which merely portray the predictable prejudices of writer or proprietor or echo the latest handouts from Conservative Central Office—"Liberal's fear of an election", "caring member", "squid and seal", and all the other wild and well-worn phrases.

The *Guardian*, incidentally, had a perceptive first leader which should be read by any who might be taken in by those clichés and believe the Liberals eager at any price to support the present Government in order to avoid an election. It pointed out that the Liberals have pertinaciously hovered on the brink of electoral disaster since the last war. What is true collectively is even more true individually. Nearly all Liberal MPs (make Tory and Labour ones) have experienced electoral defeat, and all but one gained their seats from another party. If electoral security were our motivation, we clearly joined the wrong party!

The most interesting of my remaining collection is *The Times* leader, "Case for an autumn election", because it is a very good case. But it is a conditional case only, full of "unless", "in all probability", "modest optimism", and so on.

The need is to ensure that the country does not fall under communist domination, without at the same time appearing to condone the policies of the present government there, which are clearly repugnant to most civilized opinion, and which, if they are allowed to persist, will certainly result in a terrible conflagration, from which only the Soviet Union and its allies stand to gain. These purposes will not be achieved by strident public denunciations, nor by ill-informed and simplistic demands for "majority rule". The Afrikaners are not about to commit suicide, and no one should be in any doubt that they have the political base and the military power to withstand a long and bloody civil war.

What is needed now is the kind of flexible, imaginative and private diplomacy which will give aid and comfort to the great majority of South Africans—who, coloured and black—who are working for peaceful change; and which will persuade the South African government of the urgent need for political reform without condemning it for taking whatever steps are needed to preserve the fabric of an ordered society in the course of that change.

In will, of course, have to be replaced by a more realistic assessment of the South African situation. Mr Vorster must be left in no doubt that if he persists in his refusal to contemplate reform, he cannot expect western support—moral, material or military—in the upheaval which cannot be much longer delayed. Similarly, the West should readily concede to the South Africans that their strategic interests and ours coincide, and that they will have our full and unreserved cooperation once the process of peaceful change has begun. All this must be done, urgently, but quietly and discreetly. We are already in a great deal too much flannel and sanctimonious public lecturing.

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David Steel

## The Lib-Lab pact: only one question really counts

As I write, my desk is covered with a collection of editorial and political comments culled over the past couple of weeks on the rights and wrongs of extending the Liberal-Labour agreement into a new session of Parliament. Most of these are items I had noticed briefly and put to one side for later scrutiny and some, like that of the current *Spectator*, have been sent to me by the authors, who have felt the need for my enlightenment.

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The most interesting of my remaining collection is *The Times* leader, "Case for an autumn election", because it is a very good case. But it is a conditional case only, full of "unless", "in all probability", "modest optimism", and so on.

The case for keeping the Government depends first on what its purpose is, and second on what the likely alternative is. Will it succeed in moderating inflation, more than a Conservative government would? On prices, the Tories have voted against the control Bill, and on wages the Labour Government has yet to announce its post-phase two policy. So we shall have to wait and see for another few weeks before passing judgment on that score.

On discipline in the ranks, on which *The Times* leader would rightly confirm, the Prime Minister's words appear already to have had some effect (indeed even the *New Statesman* is now conceding the direct line to Labour MPs). This will be crucial on devolution, where a new package promises to be both a more rational and acceptable one than before, while the Tories have abandoned advance on this front altogether.

On European elections, the Bill will indeed require "the support of other parties", but so did the European Communities Bill in the time of the last Conservative government. Moreover, the country is now offered at least a fair prospect of electing a representative delegation by a procedure which has greater support among Tory MPs than hitherto among Labour ones, but which a government headed by Mrs Thatcher's personal antagonism to the subject would certainly block. The case for an autumn election remains so far not proven.

Two other arguments are regularly advanced in favour of not renewing the agreement. First, that the Government is unpopular and has been lost by elections. Like a drunk sailor shedding rivers of Conservative tears, the *Spectator* in 1963 and 1973, but I do recall the same newspapers mandating their resignations. I am not sure that the same newspapers would do so now.

Second, there is *The Daily Telegraph's* "Social disorder" being practised by the extreme left at Grunwick, as a Librarian I should be doing my best to get rid of an argument which fails to stand up.

The *Telegraph* misses my point. Grunwick is a very good example of the kind of social disorder with which the extreme left will have a field day if a Thatcher government comes to power. Nothing has been heard from the Tory leader in upholding the right of expelled and unnumbered workers to join a union. Tim Paine has been left isolated in his party in arguing that the ACAS report on union recognition at Grunwick should have been accepted. Shirley Williams, as a member of the intervention of the far right and the far left. Mrs Thatcher conveys no such symmetricalness. Yet the antics of a few Tory MPs and the self-styled National Association for the Freedom of the Employer have been deeply destructive.

In arguing (rightly) the case for freedom not to join a union, the Tories forget the case for freedom to join one. The result is that the suggestions of the Prime Minister for "controlled picketing within the law" of Mr Brock, the Employment Secretary, for a settlement, and of Mr Roy Grantham, the sensible Ape leader, for reduced numbers, have all been brushed aside by the borborygmous of the factory, and the police take the brunt of the resulting confrontation politics.

Liberals would wish to relax the recent Liberal law on enforcing closed shops, but it is now clearly necessary also to increase the powers of ACAS to carry out ballots to determine the wishes of workers in places like Grunwick. Would a Tory government do that?

Perhaps a recent *Scotsman* editorial (published before the Grunwick rumpus) had the soundest conclusion: "The Liberal doctrine of reconciliation, reason and arbitration based on justice rather than power is the only way to achieve a peaceful and unambiguous contribution to make to the stability of our democracy." The question Liberals face is how most effectively to make that contribution.

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The case for freedom to join unions

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Now over to Brian Johnston at

Brian: Good morning. I'm afraid the news from here isn't too good. Play has been delayed because of picketing outside the Grace by a bunch of the less successful county players, who are complaining that they haven't been made offers they can't refuse by Kerry Packer's cricket circus. It's fairly nasty out there. None of the Test players has yet crossed the picket line except Mike Brearley, the English captain, whose selection in good stead at last. Now you know I don't like to get involved in politics, but this unfortunate incident does reinforce my view that the game isn't what it was. What would some of the all-time greats have made of a picket line, I wonder? I remember old "Goofy" Grunwick, that great Essex wicket-keeper-batsman—the greatest player of underarm full-tosses of his generation—should say, wouldn't you, Fred? Anyway, remember, policemen are tried to stop him getting into Lord's on the grounds that he was three in the morning and he was trying to climb in over the Tavern roof. He happened to have his stainless steel groin protector on at the time, so he just thrust his midriff into the policeman's face and knocked him flying. The policeman was fined for indecent assault. Pickets? I don't think he'd have given much time to them. But never the Trevor and he's pasting, as though he's hot from the first. Good morning, Trevor, what's the latest?

Good morning, Brian. Well, it's looking pretty ugly out there. I was just on my way in when I happened to meet this old friend of mine that I hadn't seen since last night and we decided to go to the Tavern

for our first of the day. It was ugly, very ugly, the only word I can think of to describe it. It took us several minutes to fight our way through to the bar. "Blacklegs!" they shouted at us, which was doubly annoying because since my friend happened to be a West Indian, I think you know him—"Fingers" St Paul, surely the fastest left-handed scoreboard-operator of his generation. He and I were wondering what the old-time would have made of all this fuss. Do you remember "Goofy" Grunwick, the great Somerset leg-break bowler, who could make the ball turn on a sixpence, but lost his touch when they barred the use of coins on the field of play?

Brian: Yes, we were just talking about him. Let's ask Bill if he can look through his record books to see if there's ever been a picket at a cricket match before. (Pause and sound of record books being rifled through.) Ah, here we are. He says no, there's never been one, but there was once a strike at a cricket ball manufacturer's in Peshawar, where the workers were campaigning to be bigger stamps to be used. This would have shortened each innings, so you could have matches of four innings each instead of two, doubling the number of balls you

Trevor: Never came off, did it Brian?

Brian: It didn't, no. And now while we're waiting for the umpires to sort things out, I'd like to

thank those listeners who've sent me little favours, as they always do. A listener in Glastonbury has sent me some wine gums packed in a pair of stout gumboots. She says I'm

to suck the gums, wear the boots when rain stops play and fill them with champagne if England win. "And if you're ever in Glastonbury", she writes... I don't think I'll read that, but it does sound a lot more fun than sitting here drinking away about cricket. And another young woman from Bayswater has sent me a pair of undergarments to watch myself during the cold spell we've been having, though I must say they don't look too practical. I go with them, which again I can't read to a family audience, but I'll tell you the last line. It goes: "Oh no, they're not mine, they're the vicar's." But let's get back to about the all-time greats. John has just struggled up here. What have you got to tell us, John?

John: Well Brian, you were talking just now about "Goofy" Grunwick, that great Worcester opening bat who still, I think, holds the record for scoring the fastest single in Test matches against New Zealand. I was just wondering if you remembered how his brilliant career was ruined in that famous Lord's Test against Pakistan. He went off to get another sweater and when he hadn't come back after an hour they went looking for him and found him in fragments.

Really, I thought it was in the Long Room?

John: Anyway, they caught him with the wife of one of the selectors, and it was clear that he'd used some time to get past her perhaps rather half-heard defensive prods. Her husband did him a terrible injury with the groundman's turf-cutting implement.

Brian: Never played again, did he John? He took up female impersonation, I remember. In fact I saw him in action a year or so afterwards in a drag ball near the Oval, doing an amazingly intricate exotic dance with a bat and a set of stumps. Fred's been in now, who was the greatest performer you ever came into contact with?

Fred: Funny you should ask me that, Brian, because I once went up against the wife of that selector myself. It was at a charity game down at Little Plumley, on behalf of Prince Charles's fund for "artificial" coucushen.

Marvellously worthwhile cause, then.

Fred: Yes, but unfortunately it rained most of the day and I was sent to help this lady make the tea and the upshot was that nobody got any tea, and I remember coming away thinking that maybe Grunwick wasn't as goofy as people thought.

That wasn't quite what I meant, Fred. But John, you've got something for us?

Yes, Brian, and again it's about that great Leicestershire all-rounder, "Goofy" Grunwick. He was, I remember, a pupil of that lovely old Cambridge character, "Fingers" St Paul. They called him Pinky because he was always pretending to be an agent of the KGB. He wasn't just one of those eccentric and rather sweet bachelors, you know. In his younger days he was one of the greatest players of his generation. Nothing would give him greater pleasure than to put on his white coat and stroll out to the Parks with 22

keen and muscular young men. And he used to give these famous tea parties in his rooms, with bright red neckties with a seam up the middle, representing a cricket ball. If he felt playful he would lob them to some poor fellow sitting at the end of a table, and he had a marvelous sense of fun he did have. Dozens of Cambridge men would quite literally sit at his feet—I remember particularly "Red" Philby, surely the second finest man of his, or any generation. And what enormous feet they were, too.

Brian: Fred, who had the biggest feet of anyone you can remember?

Fred: Anybody should ask that because the wife of that selector I was mentioning had the most colossal pair you've ever seen. She played once in a women's test and was the only player ever to have been warned by the umpires for "stealing down the pitch when she was fielding at slip."

Trevor: Talking about "Pinky" Baves, I remember another of his pupils, young "Thunderbolt" Austin, undoubtedly the greatest fast bowler of his year at Cambridge. He used to boast that he could open up opening batsmen for a breather, and there's certainly was an unusual dearth of opening batsmen that year. I wonder what became of him?

Brian: Well, while we've been rabbiting on here, play has actually got under way and the Aussies have taken four of the first five wickets. But John, you were going to tell us something?

Yes, Brian, it was about "Goofy" Grunwick, the Surrey leg-breaker who was, certainly the finest batsman cover of his generation.



a temporary lull in the Great Debate. The Prime Minister last autumn. Opinions canvassed, drafts drawn up, pressure groups to let off steam. Now, exhausted this process, Mr. Williams is about to put forward her own proposals in a paper in July. She has a chance that any Ministerial action since the war to improve the beguiling half-truths which have caused so much of the issues to be raised in recent years. The climate has changed in many respects, and it is not only to wait for the appearance of the Green Paper to some of the underlying assumptions. Of these, none is so important as the downgrading of the birthrate, and the move from a sustained growth in the school population to an era of contraction. The measures of this kind to be taken, the cuts in training and employment among teachers, are signs; and no less than the possibilities of saving out for real savings in expenditure, combined with all the real improvements in the quality of the education system between 1975 and 1985. The population in England goes down from about 56 million to about seven and a half million; if it continues at a lowest of the projected go will below this by the end of the eighties. This has happened since the war began to fall, and the effects are therefore to change the frame of reference for all planning.

The cracking of the bubble of mass expansion has coincided with a loss of confidence in the Government as an instrument of policy. The two are not unconnected: enthusiasm for expansion is much easier to maintain when things are expanding. Numbers encourages kind of conservatism. The late Mr. Anthony Crosland, Secretary of State for Education in 1964, he took office with the ambitious hopes of what school reform could achieve which he had set down in *The Future of Socialism*. By the end of the decade, he and the debate had moved on, and other, more direct, forms of social intervention had gained the support of the social democrats' support. Nothing that has since occurred has suggested that the earlier, excessive faith in social reform through education was anything but naïve—as naïve, no doubt, as it would be now to substitute for it an exaggerated notion of the economic benefits which might follow from subordinating education to the immediate needs of industry.

It is not surprising that the educational scene has changed as well as at home without noting a loss of nerve by the progressives, and an access of boldness by the sceptics. This scepticism has reflected a widely-held belief that the schools have been overloaded with well-intentioned but muddle-headed social objectives, and sidetracked from their main task of inculcating knowledge and skills. Both the main political parties have sensed this and, indeed, Mr. Callaghan's personal intervention last year may be seen as a determined effort to prevent the Conservatives from making capital out of an impending backlash.

Much of the anxiety in the public mind which the Great Debate has demonstrated has in reality not been about education, but about the decline of the inner cities and the consequences of environmental deterioration on the lives of the urban populace in the inner ring. There are, it is true, signs that at the primary school level, schools in Inner London are beginning to regain some of the confidence lost in the early 1970s, when teaching came under attack and went with bewildering rapidity. There is nothing that the inner city schools now need so much as a period of stability. But unemployment, especially among boys, and girls of West Indian origin, is running at a dangerously high level, and this has devastating effects on those who despair of getting a job long

before they leave school. There are no narrowly educational remedies for the towering social ills of the inner city; but any discussion of educational standards and the quality of neighbourhood schools which fails to take account of its plight is unreal and unfair.

The Green Paper when it appears will have several distinct functions. It should serve to re-establish the initiative of the Secretary of State in areas of policy, notably the curriculum, on which her predecessors for many years have remained silent. It should reflect the reaction against grandiose social engineering by concentrating attention on limited goals—on those things which can actually be achieved rather than an expression of idealism. Some of this has already been made explicit in the recent public discussion, but the emphasis on measured attainment in basic skills, and the overhaul of the secondary examination system.

One theme to emerge strongly from the recent discussions has been the need to develop much closer links between school and work. If the Green Paper is to take this seriously, it is bound to raise questions about the vocational training which has hitherto offered halfway through the secondary school. There is an urgent need to maintain a realistic conception of the comprehensive secondary school, which can take account of the diversity of talent and interests such schools embrace, and turn a deaf ear to egalitarian claptrap which would seek to impose uniformity in the name of a common core curriculum.

Mrs Williams's first task has been to lead Labour back from the exposed forward positions of progressive education. She has done this with skill because her sincerity is manifest. She says things which she does not want to hear, and still retain their respect. And she knows that in the country as a whole, there is much more support for her brand of revisionism than for the doctrinaire policies which have hitherto dominated Labour's educational policy-making.

public of Djibouti began early life as the 'African state' and the 'African state' and the 'African state' was always assumed that French ever withdrew a territory, the Emperor would send his, since Djibouti was an outlet for Ethiopia's The acquisition of the ports did not change its vital interest. The new regime in Addis made it amply clear inherits the Imperial and indeed, with the loss of Eritrea to the two cooperating liberation the Dergue is back to the priorities of the Empire railway was first built, is, however, maintaining a to the maintenance of an essentially Somali along with the Ethiopian territory. Until Somalia had no hope of the Ethiopians. But organization and rearming Somali Army, and the on of revolutionary Ethiopia by the Eritrean revolt and other secessionist movements, the balance in Somalia's favour. The railway has been cut, and the Somalis are helping a liberation movement in Ogaden even more than the Sudanese are helping the Eritrean nationalists. Nevertheless, the pm may remain in the grenade for some time. The French are leaving a large force in Djibouti on a training mission to the new Republic's defence force. In fact the French are providing—considerable French concern—a gendermarie. The more stabilizing element in the French presence is the fact that France pays for Djibouti's deficit, now the only ally in the world. Neither Ethiopia nor Somalia could, and the only alternative patron would seem to be Saudi Arabia.

But the new influence in the area is Russia, and Russian interests almost certainly call for maintenance of Djibouti's independence for the time being. The Russians are now the main-

stay of the Marxist regime of Colonel Mengistu Haile Mariam, and they cannot want his forces ever more to be in the area, remain considerable control in Somalia, even though out of political favour, because they supply spares and ammunition. They are in a position to urge both Mogadishu and Addis Ababa to accept the new status quo in Djibouti. Their simplistic master-plan for the age-old rivalries of the area is a grand Marxist: federation embracing Ethiopia, Somalia, Eritrea and Djibouti. But the idea fell flat in May and the rival revolutions continue to fight each other with their Russian weapons, and look for new backers in Arabia or the United States.

It is a precarious balance, which a tribal feud in Djibouti could upset at any time. So might a resolution in the new Republic's assembly to join Greater Somalia for which there is a narrow majority. The prospect is for a sharpening of suspicions and hostilities all round.

ughan, after an exercise of all skill and firmness in a matter that earns him £11 million a year, face his last presidential Council of Ministers in on Wednesday and Thursday a clear conscience. He has said that he will be here to see to it that the Nine from holding elections to the European Parliament early next summer, and, during it, he has avoided the threat that the United Kingdom, under a Labour undisciplined and months wild and in a political debacle. If, else, the Government has the European Assembly Bill. He could have done so; it practically within his power to do more. The Bill's Royal Assent now depends on an unwavering alliance across the Commons among the unquestionable Europeanist and an alliance not simply on reading principle but on a hundred and one commitments, and perhaps next session illorine. And that is asking the Home Secretary tells a gagues, when you launch a Western Bill touching the sovereignty, the status of each member, you are at the 635 Commons experts who advice about their interest from nobody.

able any necessary discount made from what follows, let again where I stand. The list system, recommended by Government, is a better boring for direct European elections, the post-hoc that could enable the Kingdom to keep the 1978 elections. It contains a measure of proportional representation.

industry, professors and interest groups without too much state of the way. It will also introduce the electronic to the kind of PR system that will certainly be in use for the second round of direct elections in 1983.

In fact, the regional list system logically develops methods used by the main parties in forming their present constituencies for the Secretary. The Labour delegation is elected by the Parliamentary Labour Party on a regional basis. The Conservative delegation has been chosen since January 1973 on a permutation of regional, professional, and social factors. Nor has anti-Europeanists been excluded from either delegation.

The work now advancing at Conservative Central Office illustrates what it will be in the interest of party managers to do. Every region has to be regarded as a constituency. Candidates chosen need to be accepted by authorities on regional industry, farming, the law, accountancy, and so on, and apart from any national reputation, candidates must be immediately recognizable as valid local figures, rather than as carpet-baggers.

Perhaps, they should have some linguistic ability, although physical stamina, as at Westminster, will be the most providential gift to European politicians.

I am tempted to go even farther in defending the regional list system. Since the war years, the great European figures, who saw their vision of a united Europe and drew their idealism from a common experience of self-destroying war, have gone from the stage. Nobody of equal stature has taken their place, and, for all its severely limited powers and frustrations, a European Parliament elected on a regional list system might be a more lively forum than any national parliament to produce eventually a new breed

large European subsidy into the treasure chest of party managers, to the disadvantage of Independents who may run. It wholly prevents cross voting between parties, with all those who want to pick and choose. Most repugnant of all, it virtually nominates from the centre 81 European MPs who are likely to be four or five times better paid than Westminster backbenchers and are relieved of constituency expenses, and staff beyond the dreams of avarice and the Tribune Group.

It also leaves wholly unanswered awkward questions that critics must properly raise. The Bill does not say what necessary line of communication will relate between MPs there and MPs here. It does not, and should not, prescribe on what manifesto or even manifests the party lists should fight: to stay in the BEC or pull out, to work with the European Parliament or against it. Will Labour's national executive be asked to write a manifesto? Or will Labour's Euro-MPs, according to strict Strasbourg practice, be tied into the European socialist group's manifesto?

Nor has any party decided how precisely it will organize politically for European elections in 66 English constituencies mapped on the Government's economic regions, which bear no relationship to Labour or Conservative party organization. Adaptation for European elections could never be quick or easy for the parties, although the logistics would clearly be easier for a well staffed Conservative Party than for a Labour Party that has fewer professional organizers outside Transport House than the Royal Navy has admirals.

In the end, the Bill raises the question for all politicians whether the Europeanist end justifies the undoubtedly rough and ready means. I do not hesitate.

From the Chairman of the Criminal Law Revision Committee

Sir, Those who are concerned about the administration of justice in rape cases may like to know that the Criminal Law Revision Committee, of which I am Chairman, is at present engaged in a study designed to rape with the object of making it more certain and comprehensive. We accept that rape is a grave and detestable crime. We will make our recommendations to the Home Secretary on this basis.

We have the advantage of having two women on the committee, Hon. Judge Lowry and Mrs. Audrey Frisby who is a metropolitan magistrate. We also have the advantage of having available the help of the Police Advisory Committee on which there are a number of women of wide social experience.

It is probable that before making our recommendations to the Home Secretary we shall publish a working paper on rape, as well as on other sexual offences. This will give the public an opportunity of reacting and commenting upon our tentative proposals.

Yours truly,  
**FREDERICK LAWTON,**  
Chairman,  
Criminal Law Revision Committee.  
2 Harcourt Buildings,  
Temple, EC4.

From Mr William Barnes  
Sir, The Bishop of London (letters  
June 15) criticizes Mr Stephen  
Ross's Housing (Homeless Persons)  
Bill because it will not ensure that  
young homeless people become the  
responsibility of local housing  
authorities. My criticism of it is  
different.

It places on local housing author-  
ities a duty to furnish to these  
homeless persons, who are judged  
to have a priority need, advice and  
appropriate assistance, without pro-  
viding those authorities with the  
resources to assist. I fear that the  
Bill's definition of homelessness  
may well create aspirations on the  
part of many people which cannot  
be fulfilled.

been well said, one man's care and compassion is another man's sorrow. The fact that the welfare of the poor, as New Horizon said in their recent report, the present lack of resources available to young people and the increasing problem of young homelessness serves to illustrate the need for the type of social policy and public co-ordination between the departments responsible for education, employment, training, housing and other youth services. It is hardly a coincidence that the Director of Shelter was formerly chairman of the housing committee in Camden.

An as yet unpublished Department of the Environment survey on squatting in London makes clear, in the press reports of it are that the Government was aware that for many of the young homeless, come from a great variety of backgrounds. Some are immigrants, some single-parent families, some provided young people who sought because they believe in establishing their own community.

To some of these, every caring authority already recognizes a responsibility to do what it can: to others it cannot and should not. A more detailed analysis of who the young homeless are is necessary to offer to them housing which would otherwise go to the elderly, the handicapped, the mentally ill and families with small children.

From the sixth century to the present, following the instruction of Pope Gregory the Great, it has become customary to share church offerings among four main objects: the fabric of the churches, the parochial clergy, the Bishop and the relief of the poor. Does the Bishop of London intend to share the twentieth century the fourth of these objects of Christian charity should be left to the local authorities?

Yours faithfully,  
WILLIAM BARNES,  
Director of Housing, Camden,  
38-50 Bidborough Street, W.C1.

From Mr. Tom Litterick, MP for Birmingham, Selly Oak (Labour).

Sir, The recent spate of press comment on the Rooker/Wise case has brought the Government's current Budget proposals inevitably prompts comparison with the press response to the Walden/Mackintosh attempt to wreck the Docks Bill.

On this occasion the press made no mention of a constitutional crisis, crisis of confidence or any other kind of crisis, we were regaled, as I recollect, with lengthy articles suggesting the Government were two right-wing guerrillas were, how wrong-headed and upstanding for the rights of backbenchers to have minds of their own, etc. ad nauseam.

We are not, Mr. Wise and Mr. Rooker, as brave as principle and deserving of our admiration for standing up for the rights of backbenchers to be something more than rubber stamps and, incidentally, standing up for the poor?

Sincerely,  
TOM LITTERICK,  
House of Commons.

from Mr John Warburton.  
 Sir, I am rather baffled by the letter from Mrs Japhet (June 21). Is your complaint based in sorrow at having to leave us and go back to America—or that she resents being classified as a "foreigner"?  
 In the matter of taxes, entry permits, work permits, no pension, no free health benefits et al, may I assure her that her own country has precisely the same deficiencies plus a few more, for the non-American has to work under the same impression that he has a unique expertise to offer.  
 Yours faithfully,  
 JOHN T. WARBURTON,  
 12 Kings Road,  
 Heston on Thames,  
 Oxfordshire.

From Mr. Michael Bower  
SIR, I am honoured to have been  
mentioned by Bernard Levin in his  
column of June 11. To have been  
attacked by one who so regularly  
vindicates the trade union movement  
may even do me some good in the  
current ballot among journalists to  
elect a new general secretary of the  
National Union of Journalists.

However, perhaps you will allow  
me to use the press freedom Mr  
Levin takes so birthily about to try  
to explicate the truth behind his  
claims, assertions and accusations.

I have never met Levin. I do not  
believe that he has ever heard me  
speak. He has certainly never tried  
to discuss any issue with me or  
tried to ascertain my views by  
talking to me.

In these circumstances it is difficult  
to see how he can have formed his  
opinion of me and my suitability as  
general secretary of the NUJ. As  
is often the danger in trying to  
categorize individuals as "left" or  
"right" or as Levin put it, "left  
or moderate" he has attributed  
statements to me which I have never  
made.

None of the three attitudes por-  
trayed by Levin to be quotes from  
me appear in my election address  
nor do I make such statements  
in that form.

Ever, I have not refused to

British press is not free" and his  
allusion to "unscrupulous  
journalists who have no interest in  
the subject [of press freedom]"  
as discredited by Bernard Levin (June  
11) as "the standard left line"  
without argument.

Times readers are of course  
familiar with the view often stated  
in the columns of the paper that a journalist  
(but not a printers' or employers')  
closed shop is a threat to what is  
currently free press—but it is only  
a view, and one not even held by  
all Mr Levin's fellow "moderates"  
with me, in instance, Mr. John  
Ashton. Mr Levin's first choice  
candidate for NUJ general secre-  
tary, has this to say in the current  
issue of *The Journalist*.

"No one dares to say to the printing  
union, 'You must close a closed  
shop because freedom of the press  
would be in danger. . . . Much is  
said about closed shops of jour-  
nalists removing whatever protection  
a press charter might give from  
the press monopoly. . . . But the  
emphasis is put on abuses that can  
arise through monopoly powers  
brought about by the continued  
contraction in the ownership of  
provincial and national newspapers  
and other publications. . . . Before  
our members could fulfil their  
responsibilities to press freedom in  
100 per cent post-war shops."

Indeed I was one of the four NUI representatives who did try to negotiate such a code with employers over the past 12 months. The experience did confirm my suspicion that the majority of press employers are not interested in "press freedom" but simply in linking to curb the reporting of industrial battles. The NUI to fight for better pay and security for its members.

Nor is it satisfactory to simply state that I insist that the British press is not free. It has attacked the restriction of total and unfettered freedom which glib use of the phrase implies.

The British press is free from government interference, even from the Official Secrets Act, D. N. 10, U.S. and

tries. But we are not commercial enterprises of advertising or of the political pressures of those who own and edit newspapers.

Indeed it is easy to see that Mr. Levin would not get such large slabs of your editorial space each week if he did not give the public the political and slanted opinions of which you approve.

I also believe it to be true that many newspaper employers are only interested in new technology as a way of improving profitability. Since they are commercial undertakings aimed at making money, they would not be doing it were not so.

But perhaps the most regrettable feature of Levin's intrusion into the election is that he has given himself a right denied to all other NJU members, including the candidates: the right to demand that the special money canvassing for or against any candidate and, so far as I know, none has done so.

would be more serious if he actually had the sort of influence he clearly supposes.

Whoever wins the election, because of or despite Levin's attempts to influence its course, they will have one big advantage over him.

The winner will have been elected to speak on behalf of his fellow journalists, not self appointed.

Yours faithfully,  
**MICHAEL BOWER.**

Member of the Press Council, and  
of the National Executive Council,  
NUJ.

8 St Quentin Drive,  
Bradway,  
Sheffield.  
Innr. 19.

**Libel proceedings**  
From Mr John Smyth  
Sir, As counsel responsible for the prosecution in the case of The Queen against Gay News and Denis Lemon I write to set out the pertinent facts in order to correct some misleading impressions given by Mr Francis Bennion's letter to you (June 17).

no prosecution shall be commenced against a newspaper or its editor on account of any matter published in its chambers being first had and obtained. Such application shall be made in respect to the person charged, who shall have an opportunity of being heard against such an application". In this case such application was made and assigned to the Judge. In view of the express words of the section the Judge had no power to hear the matter other than in chambers. The arguments presented by counsel and legal argument lasted the better part of a day.

At the end of the argument the defendant was asked to be delivered in open court whether or not it would have been open to the Judge to accede to such a request is doubtful in view of the fact that the defendant was regarded it as in the interests of justice that the less that was

*From the Rev. D. W. J. Sampson*  
Sir, My attention has been drawn to the correspondence on this subject. Your readers will doubtless realize that there are other considerations as well as the conservationist view which seems so often to be that of "no change" under any circumstances.

This large monument so dominates the chapel of Wingham Church that it cannot be used for worship or the celebration of the Holy Communion. My churchwardens, parochial church council and I believe that the primary intention of the monument is to provide facilities for the worship of God and there is a real need to use this chapel for this purpose.

From Sir Christopher Soames to Sir Lord Kaldor and Professor Nield made three main points in their letter (June 16).

First, that our partners in the European Community have been more advantaged by British membership than vice versa, since they have increased their exports of goods to us, and we have lost more than we have to them. But what conclusion should we draw from that? That our partners are too competitive, or that we are not generally competitive enough? That we should reduce our tariff in certain important industrial areas (is too high, or that ours is too low)? That the Germans, who are stated to be the main culprit, have an undue advantage in their steel and industrial relations, because they have one trade union covering the whole of their motor car industry, while we have around 15? The one conclusion which cannot be drawn is that the Community is not the Common Market than we do desire. For if we are unable to compete in what is by far our most important market inside a tariff wall, we certainly would not do so

has led to a dramatic increase in British investment elsewhere in the Community and a minimal increase in the EEC investment in the UK. The fact that our investment affairs have been run in the past few years in such a way as to produce inflation rates double, treble and at times quadruple those of the rest of the Community has an effect on investment decisions? And is our taxation structure not looked at by a somewhat jaundiced eye by potential foreign investors? And do they not consider that the UK is a high and profit likely to flow from a given investment in one country compared with another? And scenes like those outside their factory gates at Grunwick must be a constant reminder to those who thought, But here again, if we're failing to attract the investment, we would like to see from Europe and elsewhere into this country while we are in the Community, with its subsidies, that we are doing no much worse would be if we lost that advantage.

give an ultimatum to our EEC partners that they should slow down to our pace or expect Britain to leave the Community. I think we would take kindly to the suggestion that because Britain has an inflation rate of 17 per cent, then he owes it to us to follow suit. Having voted to stay in Europe, surely the great advantage of membership is that we can see our country make a success of what the leading politicians in all parties recommended them to decide to do, and to use its influence to bring about changes where necessary. This is the message that people want to see from the Community, which sees the national interest as having a sense of commitment to it, and which has the imagination, flair and energy to make it work. It is the message which will encourage the people to make full use of their skills and their qualities.

market place which is already by far our greatest, and growing all the time. Only thus will 60 million people be able to continue to live in these islands with anything like the standard of living they have been taught by their politicians to expect as their due.  
Yours faithfully,  
**CHRISTOPHER SOAMES,**  
London.  
June 22.

From Mr George J. Levy  
Sir, Mrs Geraldine Norman in-  
accurately states in her article "Art  
World accepts Fragaard" (June 18)  
that "dealers' prices have never" (my  
italics) "been as high as the prices  
with auction levels."  
But, to take a single example,  
your Sale Room Correspondent  
reported on May 21 that "The Victoria-  
ria" of Albert M. Norman bought a  
fine 19th Century Baroque . . . for  
open sale at Menmore . . . for  
£5,500". Since in this case it was  
my firm who acted on behalf of  
the nation I would like to point out  
that the fact that, despite authoriza-  
tion from the Museum to bid a  
considerably higher price, the fact  
is that the only additional cost to  
the Museum on the hammer price  
was the 10 per cent. commission and  
charge imposed by the auctioneers  
on a national institution.  
It may be added that it would  
be unfair to say that I "suspect"  
there may have existed and may  
do exist, art and antique dealers  
who are willing to bid for national  
museums without commission to  
the nation.  
Yours faithfully,  
George J. Levy

From Dr Peter J. Smith  
Sir, A British friend of mine who  
lives in America and writes for the  
American press was recently taken  
to task for using the word "ker-  
fuffle". His friend accused him of  
introducing a "hybrid" word, which  
appears in no "regular or slang  
dictionary". To my personal knowl-  
edge, "kerfuffle" has been in use  
in Britain (but evidently not in the  
United States) since at least the  
1940s. But there is still a problem.  
The word did not appear in the 5th  
edition (1964) of *The Concise  
Oxford Dictionary*, but does appear  
in the 5th edition (1976) where the  
full entry reads: "kerfuffle n.  
(colloq.) Fuss, commotion. [20th c.  
of unk. origin.] I take the remark  
in square brackets to be an admis-  
sion of defeat by the editors of  
TCOD. Can any of your readers  
supply an origin and/or an early  
example of printed usage?"  
Sincerely yours,  
PETER J. SMITH,  
Department of Earth Sciences,  
The Open University,  
Milton Keynes.  
June 12.



regulators  
the  
tive in the  
page 19

## Adjusting 'unfair' shipping light charges may at 25pc on export rates

By Bill  
Correspondent

Exporters are facing additional freight costs later this year as a result of a dispute between the British and European shipping associations.

The dispute arises from an agreement in 1972 between the European Shippers' Council and the Committee of European National Shippers' Associations.

The formula amounts to a 25 per cent surcharge on the base rate of freight from various parts of Europe.

According to Germany, the full implications of the system were not foreseen in 1972, and it has compounded fluctuations in inflation rates and currency levels.

There is thus a 35 per cent differential between British and German rates, strongly reminiscent of the situation with the airlines a year or two ago when a London return from Hamburg cost the Germans 30 per cent more than a Hamburg return from London cost the British.

The intricacies of the freight formula are complicated even for an expert, and subject to conflicting interpretation. For instance, the German exporter can claim that a Japanese importer may be paying \$125 sea freight to import an item from Germany and only \$100 on the same article in the same ship from Britain.

But the British exporter can claim he is paying more pounds for \$1,000 worth of freight than he was four years ago, whereas the German exporter is paying fewer Deutsche marks. That is what counts in terms of balance of payments.

While talks go on between shippers and lines, independent economists from Britain, Germany and Sweden have been appointed to try to thrash out a mutually satisfactory solution.

One that United Kingdom exporters are hoping will not emerge is a return to common tariffs. Calculations by lines in the Far East trade show that this would result in an across-the-board surcharge of about 18 per cent, boosting British rates by 25 per cent and cutting northern Europe's by 10.

Freight report, page 26

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Freight report, page 26

## Shipbuilding subsidies could reach £58,000m

By Bill  
Correspondent

Government guarantees on existing ships would add a further \$14,000m. The potential government financial commitment over seven years could amount to \$99,400m.

The forecasts are based on assumptions that by 1980 world shipbuilding capacity will have been pared back from a level of 39 million tons gross annually to 30 million tons gross.

The cost estimates for direct subsidy aid reflect the amount of state subsidy that would be necessary to make up the shortfall between the price at which owners are willing to pay for new construction and the cost of ship construction.

But the IMF paper also noted that in addition to the direct and indirect cost of shipbuilding subsidies, governments may also be faced with subsidizing shipowners to the extent that their revenues from freight are below their costs of operation as a result of the effect of over-tonnaging on freight rates.

The report also noted that it is estimated that the annual operating losses on tankers could be almost \$500m this year, rising to nearly \$2,000m in 1980.

IMF's pessimistic projections will be a source of concern to the management of British-Shipbuilders, the new State corporation which will take over most of Britain's shipbuilding industry at the end of this week.

Last week senior executives of the corporation pledged that there would be no yard closures and no redundancies in the British industry.

Additional savings up to £50m were the highest ever recorded for a monthly contribution, exceeding repayments by £42m.

Freemantle Savings Bonds added a further £5.1m to the overall figures, and sales of British Savings Bonds were at their highest level since last July, with a net inflow of £1.1m.

Yield-earnings receipts at

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Yield-earnings receipts at

## BP shares 'sold' 3.7 times

By Our Financial Staff

The Government's unprecedented offer of 66.79 million shares in British Petroleum has been oversubscribed 3.7 times, the Bank of England announces.

Dealings in the partly-paid shares will start at 3.30 pm today, just 30 minutes after the Bank is scheduled to announce its plans for "rationing" shares among the applicants.

The £564m offer—£3 a share due immediately and £5.45 in December—is expected to dominate stock market activities today.

In view of the importance of the issue and expectations of a possible huge turnover in partly paid shares, dealings in all oil shares are to be extended until 5.30 pm. City expectations are that the partly-paid shares will open at a premium of between 30p and 70p.

Last night transatlantic negotiations were still continuing between the Bank of England and the United States, underwriting syndicate over the size and price of the United States allotment.

The United States allotment is widely expected to be held to 25 per cent despite signs of huge American interest, but under Wall Street rules the underwriting syndicate does not have to reveal the price it is prepared to pay until this evening.

Although the Bank of England has already let it be known that a bid for the 50 million or so shares available in the United Kingdom has been ruled out, it has not yet settled its exact plans for allocation.

It is believed that the Bank has agreed to the demands of Mr Wedgwood Benn, Secretary of State for Energy, to weight the allocations in favour of members of the public as much as possible.

And, given the vast public interest shown—the Bank was obliged to print 500,000 extra application forms as a result of demand—it is thought that institutional interest in the issue will be anywhere near fully satisfied.

In fact, with applications from preferred applicants like the sub-underwriters, occupational pension funds and BP employees thought to take up at least half the offer, there could be fewer than 15 million shares available for outsiders.

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A rival bid from Associated Newspapers also cannot be ruled out although the trade unions involved have already expressed their probable opposition to such a move.

Financial editor, page 19

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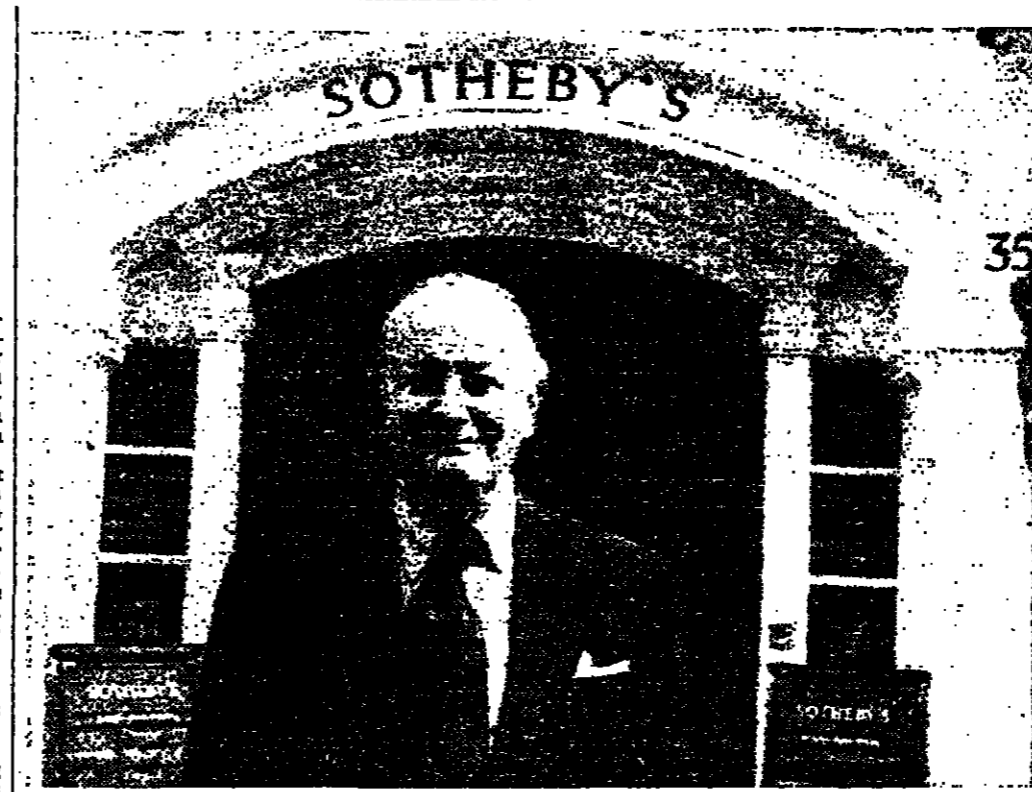
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Financial editor, page 19

# THE TIMES BUSINESS NEWS



Mr Peter Wilson: earnings are not distorted by Mentmore sale.

## Sotheby braves new issue market

By Ronald Pullen

Sotheby Parke Bernet, the fine art auctioneers, today becomes the first company to brave the new issue market since the release almost a year ago in the wake of the failure of the Molins and Thomas Borthwick issues.

Sotheby's, which handled the sale of Mentmore, is coming to the market by means of an offer for sale of 3.85 million shares, roughly 35 per cent of the total issued equity capital, at a price of 150p, which will capitalize the concern at £16.35m.

The majority of the shares on offer will come from the holdings of directors and other shareholders, most important of which is the Rothschild Investment Trust, whose stake is being halved to 10 per cent.

The issue will therefore, only be raising £1.01m of new money, including the 100,000 shares being taken up by Lane, Crawford, the auctioneering group with whom Sotheby's has a joint venture in Hongkong.

After the cost of the issue, which run to £500,000, Sotheby's capital base is being increased by £555,000—just over 6 per cent.

Apart from wanting to increase the marketability of the shares for the existing 200 staff shareholders—who will in any case, along with directors' interests, still account for 53

per cent of the equity after the offer—Sotheby's expects that its Stock Exchange quote will benefit the auctioneering business worldwide, especially as close rival Christie's secured a listing nearly four years ago.

In the short run Sotheby's wants to use the new capital to improve and extend its Bond Street premises at a cost of £750,000 over the next two years, although the money from the issue of shares to Lane, Crawford has been earmarked exclusively for boosting working capital in its American subsidiary.

There are, then, no immediate plans to use its listing to move into the takeover field despite the segmented nature of the auctioneering business in North America, for example.

Investors are being tempted with an earnings forecast for the year to the end of August of £4.6m, 37 per cent ahead of last year, and a five-year profits record that has taken pre-tax profits up from £1.47m to £3.35m last year on auction sales up from £44.5m to £98.4m, with only one setback in 1975 when the art market collapsed both here and in the United States.

On the forecast gross dividend of 12.6p a share, the yield on the issue price is 8½ per cent, deliberately pitched to compare with the City's prospective yield even if, as is hoped, the shares open at a premium of 5-10 per cent.

Financial Editor, page 19

## Breakdown of discipline foreseen

A survey carried out by the management magazine Business Administration shows that top management is worried about declining standards of discipline among employees in Britain.

Nearly a third of managing directors replying to a confidential questionnaire said there would be a "complete breakdown" of law and order if nothing was done to improve the situation.

The questionnaire was completed by 172 directors who overwhelmingly agreed that discipline had fallen over the last five years.

More than 70 believed that the standard of discipline among Britain's workers was below that of its industrial competitors, and 44 expected the standard to fall still further in the next five years.

A large majority of them blamed "weak leadership" by management. They also criticized an over-cautious approach by top management.

Strong support was voiced for legislation to outlaw unofficial strikes, restrict the activities of pickets, limit trade union power in calling official strikes, and protect employees who resist union membership on conscience grounds.

## Trafalgar bid likely for Beaverbrook this week

By Our Financial Staff

Trafalgar House, the property and shipping group built up by Mr Nigel Bruckles, is widely expected to announce a cash bid of around £19m for Beaverbrook Newspapers early this week.

Trafalgar emerged as the front-runner in negotiations to rescue Beaverbrook last week. Reports that an offer has already been made were categorically denied at the weekend but it is believed the Beaverbrook board, at least, would regard a direct bid from Trafalgar as the best of the four alternatives it is currently considering.

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Sir James Goldsmith, whose own offer to invest up to £15m

## ACAS relents over survey of engineers

By Derek Harris

The Engineers and Managers Association (EMA), whose general secretary, Mr John Lyons, has been leading its battle against other TUC-affiliated unions to secure more members among professional engineers, last night claimed a major breakthrough in the association's row over the role played by the Advisory, Conciliation and Arbitration Service (ACAS).

Earlier this month EMA said it would start legal proceedings against ACAS for its "failure to carry out its responsibilities" for the determination of recognition disputes.

ACAS, it was claimed, would not discharge its statutory responsibilities, usually involving a ballot of opinions of workers involved, without "the approval or acquiescence of the TUC".

EMA was particularly concerned about its dispute with the Technical Administrative and Supervisory Section (TASS) of the Amalgamated Union of Engineering Workers over recruitment of 300 professional engineers at the GEC Reactor Equipment complex at Whetstone, Leicestershire.

The dispute went to the TUC's disputes committee, which awarded in favour of

TASS. Despite the award EMA asked ACAS to canvass the opinions of the engineers involved. ACAS then suggested the issue should be referred back to the TUC.

EMA has now written to EMA asking it to carry out its responsibilities for the determination of recognition disputes.

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## Beer and RRP likely targets for action under new price policy

By Our Commercial Editor

A number of early initiatives in the prices field, employing the new powers of investigation and possible freeze which the Government will now receive on August 1, are expected from Mr Hattersley, Secretary of State for Prices and Consumer Protection.

Two major sectors could be involved. One is the beer industry, where Mr Hattersley is due by July 31 to receive the results of a Price Commission investigation into profit margins of brewers and licensees.

The other is in some manufacturers' continued setting of recommended retail prices (RRP). A broad investigation by the Price Commission of this practice is already on Mr Hattersley's desk. This report, a factual one without recommendations, is expected to be published shortly.

The report could well lead to early action by Mr Hattersley. Pricing display practices in furniture retailing have particularly been under surveillance.

A number of major makers of "white" goods among domestic durables, such as refrigerators and freezers, have been slow to follow most manufacturers of "brown" goods—television sets, radios, hi-fi—in scrapping RRP.

Mr Hattersley could ask the new Price Commission to look further into a particular sector's RRP pricing practices. But the new Government powers also will make it possible to prohibit advertising of RRP or even the setting of RRP by manufacturers.

Mr Hattersley is also likely to have by August 1 the Price Commission's reports on investigations into recent increases in coffee prices, into the prices and profits involved in hearing aids manufacture and into call-out charges by those servicing appliances such as televisions and other domestic equipment.

But the results of other Price Commission investigations, including those on prices of baby clothes and decorative paints, are unlikely to be available for some time.

It is believed that non-ethical goods sold through chemists and painkilling drugs like aspirin sold under proprietary names have both been considered as possible new sectors for price investigation. Carriage servicing charges have also been considered, it is understood.

Mr Hattersley will also face a decision on whether to act on footwear retailing margins, which have been the cause of some concern since consultants' report to the footwear industry steering group started controversy over the role of the British Shoe Corporation, part of Sir Charles Clore's Sears Holdings.

Mr Hattersley's new powers would enable him to call for investigation of footwear distribution as a whole by the Price Commission.

Beer prices and the profits of brewers and licensees are likely to be the most explosive issue to face Mr Hattersley as soon as he gets his new powers.

A new round of price increases has already started among some of the brewers, in itself a development which could add fuel to demands for something to be done about brewery profits. Some have doubted their profits in two years.

The Price Commission's investigation is now almost fully documented except for questionnaires still to come in from a few of the big brewers. There had been speculation in the industry that delays would put back completion of the report at least a fortnight beyond July 31 but this is now being discounted in Whitehall.

The Brewers Society, which represents virtually the whole industry, is sending its own written submission to the commission later this week.

Financial Editor, page 19

## Call to allow radical worker-director plans

By Paul Routledge

Labour Editor

Professor Ben Roberts, professor of industrial relations at the London School of Economics, today launched fresh criticism against legally imposed trade union directors on the boards of companies, as proposed in the Bullock report.

In an article in *Lloyds Bank Review*, he calls for an experimental period of participation agreements on the lines proposed by the CBI, and suggests amendment of company law to permit more radical schemes of worker participation.

Unlike academics on the Bullock Committee and others who have supported the TUC line, Professor Roberts argues that the Government should not carry into law the majority report of the Bullock Committee.

In any case, he suggests, Mr Callaghan's parliamentary position is too weak to permit the Cabinet to legislate as the unions would like them to.

In his article on participation by agreement, Professor Roberts says: "If Mr Dell's and other ministers' views are to be taken as expressing the majority view in the Cabinet, it seems that the Government is determined to attempt to introduce legislation, but not necessarily closely following the recommendations of the majority report."

It is likely that the Government will accept the case for some flexibility, and the need for agreement between management and the unions, but it will face strong opposition from the TUC if it departs from the

principle of "single-channel representation."

Professor Roberts prefers the introduction of works councils into British industry rather than the trade union-dominated joint representation committees proposed by Bullock as the avenue for industrial democracy, but he admits:

"Since the unions would refuse to cooperate with them, it is unlikely that either a Labour or a Conservative Government would be willing to make them a legal requirement." The alternative would be to set up an "electoral college" that would include non-union employees and all occupational grades as the mechanism for developing experiments in shop floor participation.

"It is extremely important that the way in which the Bullock Committee was set up, its terms of reference, and the one-sided nature of its report, should not be allowed to prevent constructive developments," he argues.

"What must, however, be rejected is the extreme view that the only form of participation that is meaningful is one which so enhances the bargaining power of the unions that in effect they take over the control of private and public enterprises."

Professor Roberts sees a real danger of the "two devils" concept of adversarial industrial relations being encouraged if no progress is made towards bringing employees into a system of participative management which they support.

Financial Editor, page 19

## PENTOS LIMITED.

Notice is hereby given of the appointment of Lloyds Bank Limited as Registrar.

All documents for registration and correspondence should in future be sent to:

Lloyds Bank Limited,  
Registrar's Department,  
Goring-by-Sea,  
Worthing West Sussex BN12 6DA.  
Telephone: Worthing 502541  
(STD Code 0903).

D. K. G. MORGAN, F.C.A.,  
Director

## Ford workers to vote on peace formula today

By Tim Jones

Labour Correspondent

Body plant workers at Ford's Dagenham plant will today vote on whether to accept a peace formula or join assembly workers in continuing the 15-day strike which had made more than 16,000 workers at three plants idle.

The assembly workers met on Friday night and rejected a formula recommended by full-time union officials and senior shop stewards.

Mr Frederick Black, Transport and General Workers' Union, who led the peace talks with the company, has said he fears a difficult situation today if workers responding to the management's call to return to work, meet pickets at the factory gates.

The dispute at the assembly plant is over layoff pay for workers made idle because of an internal dispute. The men want 80 per cent of normal pay.

## Trafalgar bid likely for Beaverbrook this week

By Our Financial Staff

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## Shareholders' meeting is unlikely to mark end of the Chiasso affair

From Peter Norman  
Bonn, June 26

When Credit Suisse's top management reassembled today in the bank's imposing headquarters building in Zurich's Paradeplatz to begin another working week, the atmosphere is likely to be one of heartfelt relief.

For, from the point of view of the bank, last Friday's extraordinary meeting of shareholders in Zurich called to discuss the losses arising from the activities of its Chiasso branch, it was a resounding success.

The five-and-a-half-hour meeting—a marathon by Swiss standards—was, in the circumstances, unusually quiet, with no significant opposition from the ranks of the assembled shareholders, and the support expressed for the bank's present management by far outweighing the few critical questions posed.

But it is doubtful whether the shareholders' meeting marks the end of the affair. The bank's management has cleared a hurdle. But despite speeches lasting two and a half hours from Dr Oswald Aepli, the bank's chairman, and Mr Peter Schmidheiny, a board

member, and three hours of discussion, many questions remain unanswered.

There is not just the question of the size of the losses that the Credit Suisse will have to sustain. These, as Dr Aepli convincingly pointed out, will take time to assess, as they depend to a large extent on the realization of the assets of the Texon Finanzanstalt, the Liechtenstein-based holding company through which Credit Suisse Chiasso improperly channelled 2170m Swiss francs (about £500m) of fiduciary funds.

Still unanswered is the question of who owned Texon. According to Aepli the company never belonged to Credit Suisse, but to customers of Messrs. Nosedo and Nosedo, the Chiasso-based law firm. The identity of the "customers" remains a mystery.

Also unsettling was the disclosure that Mr Sergio Demitille, who resigned as general manager of Credit Suisse, went not so much because of Chiasso but because of losses arising from the granting of loans to a Milan-based company, Molini Cerosa.

The scale is still unknown.

Finally, although Dr Aepli and Mr Schmidheiny explained at length how various signals as to the true activities of Texon came to be neglected by those members of the Credit Suisse management who resigned in May, a nagging doubt must remain as to how Texon was able to grow in the years after its foundation in 1961 into a financial empire channelled funds on the vast scale that has been disclosed over the past few months.

According to Mr Schmidheiny the first signal was received by the Zurich headquarters in 1969-70, but clearer indications accumulated only from the beginning of 1976.

But what tends to travel far in a small country like Switzerland. More than one shareholder from the canton of Tessin told the meeting that the activities of Mr Ernst Kuhnmeier, the Chiasso branch manager, were coffee-house gossip in the area from the early 1970s.

If these allegations are true, it still has to be investigated how such gossip did not reach Credit Suisse's Zurich headquarters.

## US trade deficit total may reach \$25,000m

Washington, June 26.—The United States Commerce Department will issue a new set of figures tomorrow on the nation's mounting international trade deficit which for all of 1977 is expected to total \$23,000-\$25,000m (£13,500m to £14,700m).

According to preliminary indications, the United States merchandise trade deficit reached the \$10,000m mark during May.

In the first four months of this year, the deficit amounted to about \$8,550m—\$2,620m more than the total for the whole of last year.

The United States trade deficit in January-April, when computed by the same method used by most other industrial nations, was an even bigger \$11,780m, and last month's figures are likely to push this up to about \$13,000m.

While United States Treasury officials insist that the nation can carry a huge trade deficit this year without weakening confidence abroad in the dollar, questions are being raised in Congress and elsewhere about how long this trend can be allowed to continue.

Congressional sources say they understand the need for

the deficits in international trade and its other current account transactions to help to stimulate a world economic recovery.

But Mr Charles Vanik, chairman of the House ways and means sub-committee on international trade says it is time for Congress to look into this.

"The tone of the Administration's announcements of the deficits," he said, "has been almost congratulatory. While there is considerable merit in the Administration's argument in favour of United States trade deficits, I am not certain the situation is as simple as the Administration believes."

While United States officials keep stressing that oil import costs are a major factor in the nation's mounting trade deficits, the Commerce Department recently completed a special study on the declining United States share in world markets.

The United States share of world exports of manufactured goods was substantially in 1976 to 20.3 per cent (from 21.2 per cent in 1975), part of the decline, the Commerce Department says, being attributable to the increasing foreign currency cost of the dollar.—AP-Dow Jones.

## LETTERS TO THE EDITOR

### Can outsiders help to settle the differences in engineering ranks?

From Mr R. Freer

Sir, Mr Palmer's appeal to the Government to start an inquiry into the engineering profession is imminent.

As one of the four prime engineering disciplines, the chemical engineers have not considered it necessary to enter the debate about the engineering profession, since the bulk of our members have been significantly involved in, and responsible for, the success of the third largest manufacturing sector of British industry.

The chemical industry, with its proven success and on-going momentum, with, for example, capital expenditure planned at £3,300m over the next three years, needs no inquiry except to discover the reasons for the success of the key engineering profession based on it in order to reveal the secret of this success for wider application.

Chemical engineering, being an industrial profession, has grown dynamically since the end of the war. We have an integrated relationship with the industry and its supporting contracting and engineering suppliers.

The institution is dynamically supported by members of every sector of the industry. It has a positive and successful policy of continuing education, as well as nationwide coverage of well attended lectures, seminars and symposia, coupled with a range of publications from a monthly magazine to technical publications aimed at assisting the practicing chemical engineer in his day to day work to name but a few of our membership activities.

The education of the chemical engineer is closely regulated by the institution to a high standard, and the membership covers the majority of qualified chemical engineers, both here as well as in Europe and Australia where we have active branches.

The basis of university courses emphasises the systems approach based on unit processes, indeed the graduate chemical engineer, by his broadly based education, is able to tackle from the outset of his career a wide range of tasks with both confidence and

From Mr J. R. S. Morris

Sir, It appears that an inquiry into the engineering profession is imminent.

As one of the four prime engineering disciplines, the chemical engineers have not considered it necessary to enter the debate about the engineering profession, since the bulk of our members have been significantly involved in, and responsible for, the success of the third largest manufacturing sector of British industry.

The chemical industry, with its proven success and on-going momentum, with, for example, capital expenditure planned at £3,300m over the next three years, needs no inquiry except to discover the reasons for the success of the key engineering profession based on it in order to reveal the secret of this success for wider application.

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The education of the chemical engineer is closely regulated by the institution to a high standard, and the membership covers the majority of qualified chemical engineers, both here as well as in Europe and Australia where we have active branches.

The basis of university courses emphasises the systems approach based on unit processes, indeed the graduate chemical engineer, by his broadly based education, is able to tackle from the outset of his career a wide range of tasks with both confidence and

competence. Here lies one of the key differences between us and the other professions. We consider a newly graduated chemical engineer is ready to go, and not, as in other engineering disciplines, a result of their education process, forced immediately into service by way of an engineering graduate apprenticeship or similar training period—a formula for demoralisation and loss of both status and interest.

We apply strict standards for entry to the levels of membership and fellowship of our institution based on appropriate practical experience and on ability, with the emphasis on broad experience.

The chemical engineer is also trained in the economics of processes as well as the use of key management tools such as computers. The present and essential aspects of safety and hazard analysis are also not overlooked.

It is, therefore, not surprising that the chemical engineer is keenly sought by employers—there are very few, if any, graduates without a job and university chemical engineering departments are expanding under the aspect of growing interest in pursuing this exciting profession.

On the subject of registration, we take the view that the institution is an independent qualifying body operating under Royal Charter and, as such, is an official regulator. We provide a control on the quality of output from the educational establishments and the adequacy of experience of a chemical engineer during the early years of his career.

We feel the Government should accept these standards and insist that if not, legislation should be passed to give the institution a statutory basis.

There is much we, as a small and successful, but highly professional and comparatively well paid body of engineers, can contribute to the basis that we have proven success and perhaps we also prove that, with 15,000 members, small is beautiful!

Yours faithfully,  
S. MORRIS,  
President,  
The Institution of Chemical Engineers,  
George E. Davis Building,  
165-171 Railway Terrace,  
Rugby CV21 3BQ.

## Germany's recovery 'unsteady'

Düsseldorf, June 26.—West German economic recovery so far this year is still "unsteady" and existing indicators do not point towards a self-sustaining and stable advance, according to a report from the Institute for Economic and Social Science.

The report says that despite the lack of clarity of many economic indicators a general "flattening" trend has unmistakably set in because of weak domestic demand. It mentions stagnation of real demand in manufacturing industry and an "unsatisfactory" level of capacity utilization.

Net production in the manufacturing sector has developed unevenly in the first four months of 1977 and, although general results have been satisfactory, the export situation is uncertain.

The report also takes a pessimistic view of the German unemployment situation, echoing official statements that the drop in the number of unemployed in May was solely because of seasonal factors. The number of unemployed has hardened on a practically unchanged level compared with May of 1975 and 1976, although the economy itself has changed, it said.—AP-Dow Jones.

## Milton Keynes seeks to fill its green fields

### Industry in the regions

Putting a new city in the right place is half the battle as far as industry is concerned and Milton Keynes is in the right place. Half way between London and Birmingham and next to the M1, it has proved attractive to expanding firms looking for green field sites.

The one thing which is now worrying industry in the new city is whether some of the sites are going to remain green fields for too long.

On Wednesday members of the Milton Keynes Industrial Association will join colleagues from other new towns to lobby their MPs to oppose the restrictions on the development of the new town, proposed by Mr Peter Shore, Secretary of State for the Environment.

So far as Milton Keynes is concerned, this would mean aiming at 150,000 population by the mid-1980s and after that natural growth to about 200,000. The original plan when the new city was designated 10 years ago was 125,000 by the mid-1980s and 250,000 by the mid-1990s.

Mr Shore's plan to protect the inner cities is not seen in the same way in Milton Keynes where only about one in 10 of the jobs created in the past 10 years have come from London.

Mr Kenneth King, chairman of the Industrial Association, said: "We want the minister to provide a greased tube for

industry coming to Milton Keynes, not restrictions."

The association is asking for the requirement for industrial and office development certificates to be either abolished or relaxed so far as the 22,000 acres of Milton Keynes is concerned.

Mr King is worried that if growth is restricted the industry which is already there will have to bear too much of the burden of the cost of the network of roads and all the other services for a bigger place. Alternatively, he is concerned that all the facilities people have been promised will not be provided.

Buckinghamshire County Council too is worried about the prospect of a cutback in development. At the moment it is faced with the heavy cost of developing services and is getting some financial help from the Development Corporation.

The country badly needs the extra rates from industry in Milton Keynes to compensate for Slough which it lost in county boundary reorganization. But whatever the outcome of the discussion on the eventual size of the city, there is considerable optimism about its industrial future. Many of the

lessons of the earlier new towns have been learned and the development corporation has been determined from the start that there should be a balance in employment.

This has meant ensuring a variety of different jobs and different industries and allowing no individual firm or industry to dominate. The hope is that the fluctuations in various industries will even each other out.

At first, manufacturing industry was tending to dominate, but the split between manufacturing and services is now similar to that for the south east as a whole.

Having choice in the pattern of employment is something which must be envied by new towns in the north which have had to grab at any firm which wanted to come.

Milton Keynes has turned away from jobs which did not fit in with its plans. A proposal to move thousands of Ministry of Defence civil servants there was rejected because such a large employer was not wanted.

Kodak considered a site for its future expansion, but the plan was withdrawn because the company and the development corporation could not reach agreement.

Mr David Crewe, chief information officer of the development corporation said: "We are determined that we shall have the right balance of employment and that there should be no dominant employers."

"We are doing all we can to attract small firms and are providing advanced factory units, which are as small as 500 square feet."

"Already some of these small firms have expanded giving us more employment."

The biggest employer with 3,000 people is the railway works at Wolverton, which was there before the new city. The second biggest employer is the Open University.

So far this year the big achievement is the decision of Volkswagen to spend £7.5m in Milton Keynes building its new United Kingdom headquarters where 500 people will work.

Balancing industrial and housing development was always bound to be a difficult job and unemployment at just over 2,000, is around 5 per cent.

Miss Mary Hartwell, manager of the Employment Services Agency, said: "There is quite a feeling of optimism in the town and many firms are taking extra people. One of the things we have is a very mixed economy and this is one of our strengths."

Andrew Adamson

## Growing scarcity of lighter gravity crude oil

New York, June 26.—The world crude oil supply squeeze, widely predicted for the years ahead, is likely to be compounded by the relative scarcity of lighter gravity grades, *Petroleum Intelligence Weekly* reports.

Demand for these will be rising in main areas besides the United States, despite the short-term oversupply. But only 19.4 per cent of total Organization of Petroleum Exporting Countries (Opec) production consists of light crudes of 37 gravity or above, according to PIW's calculations.

Figures derived from official data show that only 5.92 million barrels daily of Opec's light crudes were produced in 1976. Output of 30.58 million barrels daily fell into this light category as defined by gravity. More than 50 per cent fell in a medium range and 30.5 per cent was heavy crude.

In general, light crudes like those produced in Nigeria, North Africa, the North Sea and most of the United States tend to yield higher proportions of petrol and other such "light" products when refined.

Medium-heavy crudes tend to yield higher proportions of less valuable high-sulphur heavy fuel oil, and cannot be processed in refineries initially built to run only low-sulphur crudes like many in the United States, PIW says.—AP-Dow Jones.

### Business appointments

#### Mr G. R. Fenn joins board of R-R Motors

Mr G. R. Fenn has joined the board of Rolls-Royce Motors. Mr T. P. Barlow has retired. Mr Timothy Adams, finance director of Firstline Holdings, has been elected financial director of Dunford and Elliot in succession to Mr D. R. Ward. Mr Ward was recently made managing director of Dunford Hatfield and Brown Rayley Steels.

Mr N. G. Shove has become chairman and joint managing director of Downs Surgical. Mr J. W. Northwood has resigned as chairman and chief executive. Mr P. E. Ledham has been made joint managing director.

Mr J. A. E. is to be the next director-general of The Asphalt and Coated Macadam Association when Mr J. V. Leigh retires.

Mr L. S. F. Charles and Mr J. E. Chilton have joined the board of Birmaleth.

Sir Leonard Neal has been elected a director of Employment Conditions Abroad and becomes chairman.

Mr Alex Morrison, chief executive of Thames Water Authority, is the new president of the Institute of Cost and Management Accountants.

Mr Duke Mount has become a director of Drayton Far Eastern Trust.

Mr Edward Shaw has been made chief executive of the magazine from October. He is chairman and managing director of IPC Business Press (Sales and Distribution).

# Charringtons Industrial

## Mr Rowland Hall, the retiring Chairman, reports record profits, and tenth successive dividend increase.

I am pleased to report record profits before tax of £4,168,000, an improvement of nearly 25% on the previous year. The Board recommends a final dividend of 2.146p making a total of 9.746p, a 10% increase on last year. The results from fuel distribution were similar to those for 1975/76 and all the improvement occurred in our other interests, justifying the Board's policy of diversification.

\* The turnover of our solid fuel company showed a slight increase but this was entirely the result of inflationary price increases. However, we can draw encouragement from the growing realisation of the importance of coal in meeting the country's energy needs.

\* Inflation also resulted in a significant increase in the turnover of our fuel oil company in spite of a 7% downturn in tonnage, brought about partly by the move towards energy conservation.

\* Ruympt Limited had a record year, which is quite an achievement in view of the current state of the building industry. This was brought about by the energetic efforts of our management team, coupled with the service we are able to offer from our modern warehouses. We are planning further expansion to enable us to take advantage of any upturn in the market.

\* Overall, the results from our motor garages were down on last year, although, as always, there were 'swings and roundabouts'. Rationalisation within this division continues, and we have had some success in disposing of surplus properties.

\* Glover, Webb & Liversidge further increased its overseas activity, and exports more than doubled. Demand for Neville bulk load tipper bodies held up well and sales of Charrold mechanical discharge vehicles were helped by a significant order from the National Coal Board. Dormobile continued to develop its interests in a number of areas away from the traditional motor caravan market.

\* The results from the main transport and warehousing companies equated to those of last year, due to the flexibility of our management in being able to satisfy the ever-changing demands of the transport industry. Southern Ships Stores increased their profits in spite of the withdrawal of more passenger vessels from Southampton. Successful efforts have been made to promote our services to the Middle East. Our companies based in Dundee have again managed to increase their profits.

\* Wool prices continued to rise and this is reflected in an increase of over £360,000 in the profits of the division.

\* The opening weeks of the current financial year produced profits appreciably better than in 1976. We are hopeful of achieving a further increase this year, provided the national economy recovers. I am happy to be able to leave with full confidence in the new management team and the continuing profitability of the Group.

## Charringtons Industrial Holdings Ltd

Copies of the Report & Accounts may be obtained from the Company Secretary, 11 Grafton Street, London W1.

	1977	1976
Sales to external customers	£170,188	£152,963
Profit before tax	4,168	3,341
Profit after tax	2,936	1,592
Dividends per share		
Interim	1.00p	1.00p
Proposed Final	2.146p	1.86p
Earnings per share	7.86p	4.25p

## Impartiality and the Bullock report

From Mr David Torrell

Sir, If as now seems probable, the main conclusions of the Bullock Committee on Industrial Democracy are to be abandoned by the Administration which commissioned the report, it may be timely to ask two questions:

1. If the purpose of appointing a distinguished academic as chairman of the committee was to ensure an element of impartiality in the proceedings, how is it that the conclusions are evidently served only the self-interest of a minority?

2. If the answer to the first question is that the terms of reference were loaded, why did the chairman so far abandon his strings to academic integrity as to accept the appointment?

It may be that the judgments implied in those questions are unfair to Sir Alan, but public life would be improved if persons in the public eye did not lend their names to political struggles of the quality of the Bullock Committee.

Yours faithfully,  
DAVID TORRELL,  
3 Elmwood Court,  
Faversham Road,  
Birmingham B5 7PB.

### Poverty trap

From Dr D. Naidoo

Sir, The rich should buy more from the poor, procuring your admirable editorial today (June 17) but if the rich fix prices for their exported industrial goods and also control the prices at which they buy commodities from the poor as well as more to achieve nothing. Oil producing nations would still have been poor if they had acquiesced to this policy.

Yours truly,  
D. NAIDOO,  
Twelve Trees,  
Coddington Way,  
Chesham,  
Surrey.

Brook Street Bureau of Mayfair Ltd.

**BROOK STREET BUREAU**

Results for 1976

	1976	1975
Turnover	10,291,247	10,673,600
Profit	205,664	678,894
Earnings per share	4.26p	4.26p

In a modern social democratic society the private employment service has become an essential element of the economy. The duty, always recognised by reputable agencies, of performing this valuable service with integrity is now supported by the recent implementation of the Employment Agencies Act, 1973. For almost fifty years Brook Street has been pre-eminently in this field and I am confident that it will continue to be so.

Eric Hurst, Joint chairman, 47 Davies Street, London W1V 2LN

Brook Street Bureau got big by boistering

**HEADLAM, SIMS & COGGINS LTD.**

**SALES INCREASED BY 28%—PROFITS BY 54% IN A RECORD YEAR ON ALL FRONTS**

Extracts from the Statement by Mr. Alec H. Coggins (Chairman).

The Accounts for the year ended 31st January, 1977, show that your Company has had a record year on all fronts.

Sales have advanced by 28.8% (28%) and profits before tax by 54.0% (54%). Earnings per share ordinary share have increased from 3.36p to 4.82p.

Both of the subsidiary Companies have significantly improved their contribution to these excellent figures and are showing gains in the first quarter of the current year.

An additional factory was purchased during the year just ended and it is expected to make a further contribution to profits in 12 to 18 months time.

The dividend being declared by your Directors is the maximum permitted under current legislation. In future ordinary dividends will be paid twice a year, i.e. the interim dividend in December and the final dividend in June.

We face the current year with confidence and I am sure that we may expect another record year's results.

**MANUFACTURERS AND DISTRIBUTORS OF SPORTS FOOTWEAR**



A copy of this Offer for Sale, having attached thereto the documents specified herein, has been delivered to the Registrar of Companies for registration. Application has been made to the Council of The Stock Exchange for the share capital of Sotheby Parke Bernet Group Limited ("the Company") listed and now being offered to be admitted to the Official List. This Offer for Sale contains particulars given in compliance with the Regulations of the Council of The Stock Exchange for the purpose of giving information to the public with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information given and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement herein misleading.

The application for the Ordinary Shares now offered for sale will open at 10 a.m. on Thursday, 29th June 1977 and may be closed at any time thereafter. The procedure for application is set out below.

# Sotheby's

## Sotheby Parke Bernet Group Limited

### Offer for Sale

by  
**Kleinwort, Benson Limited    N.M. Rothschild & Sons Limited    S.G. Warburg & Co. Ltd.**  
 of  
**3,850,000 Ordinary Shares of 25p each at 150p per share**  
 payable in full on application

#### Directors

Peter Cecil Wilson, C.B.E. (Chairman), 34-35 New Bond Street, London W1A 2AA

Graham David Jewell, 34-35 New Bond Street, London W1A 2AA

John Louis Marion (U.S. citizen), 980 Madison Avenue, New York, N.Y. 10021, U.S.A.

Peregrine Michael Hungerford Pollen, 34-35 New Bond Street, London W1A 2AA

David Anthony Thomas, Earl of Westmorland, K.C.V.O., 34-35 New Bond Street, London W1A 2AA

Sir Ronald Mark Conliffe Turner (non-executive), 6 St. James's Square, London SW1Y 4LD

The Rt. Hon. George Patrick John Rushworth, Earl Jellicoe, D.S.O., M.C. (non-executive), 30 Gresham Street, London EC2P 2EB

Peter John Ralph Spira, F.C.A., 34-35 New Bond Street, London W1A 2AA

John Marcus Linell, 34-35 New Bond Street, London W1A 2AA

David John Nash, 980 Madison Avenue, New York, N.Y. 10021, U.S.A.

The Ordinary Shares now offered for sale will rank in full for all dividends hereafter declared or paid on the Ordinary Share capital of the Company.

#### Share Capital

Authorised  
 £3,000,000 in 12,000,000 Ordinary Shares of 25p each

Issued and now  
 being issued  
 fully paid  
 £2,725,000

#### Indebtedness

At the close of business on 20th May 1977 the Company and its subsidiaries had outstanding long-term secured loans of £750,000 and bank overdrafts and other short-term loans of £663,086 (of which £244,241 was secured). Foreign currency indebtedness has been translated into sterling at the approximate exchange rates ruling at the close of business on the above date. Save as disclosed herein and apart from intra-group transactions, neither the Company nor any of its subsidiaries had outstanding at that date any loan capital, mortgages, charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments or material guarantees or (except in the ordinary course of business) other material contingent liabilities.

#### Secretary and Registered Office

A. R. Alex-Hanley, F.C.A., 34-35 New Bond Street, London W1A 2AA

#### Joint Auditors and Reporting Accountants

Deloitte & Co., Chartered Accountants, P.O. Box 207, 128 Queen Victoria Street, London EC4P 4JZ  
 Tansley Wrix & Co., Chartered Accountants, P.O. Box 71, 28 Ely Place, London EC2P 1JE

#### Solicitors to the Company

Herbert Smith & Co., 62 London Wall, London EC2R 7JP

#### Solicitors to the Offer

Slaughter and May, 35 Basinghall Street, London EC2V 5DB

#### Stockbrokers

Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AN

#### Bankers

National Westminster Bank Limited, 75 Cornhill, London EC3V 3NN

Morgan Guaranty Trust Company of New York, 31 Berkeley Square, London W1X 6BA and  
 616 Madison Avenue, New York, N.Y. 10022, U.S.A.

#### Receiving Bankers and Registrars

National Westminster Bank Limited  
 Receiving Bankers: New Issues Department, P.O. Box 79, Drapers Gardens, 12 Throgmorton Avenue, London EC2P 2BD  
 Registrars: Registrar's Department, P.O. Box 82, National Westminster Court, 37 Broad Street, Bristol BS99 7NH

#### CHAIRMAN'S LETTER

The following is a copy of a letter to Kleinwort, Benson Limited, N. M. Rothschild & Sons Limited and S. G. Warburg & Co. Ltd. ("the Banks") from Mr. Peter Wilson, Chairman of Sotheby Parke Bernet Group Limited. In this letter the Company and its subsidiaries are collectively referred to as "Sotheby Parke Bernet" or "the Group"; "season" is synonymous with accounting period; sterling figures may represent or include foreign currency amounts translated into sterling at the approximate exchange rates ruling at the end of the relevant accounting period.

Kleinwort, Benson Limited,  
 N. M. Rothschild & Sons Limited,  
 S. G. Warburg & Co. Ltd.

22nd June 1977

Dear Sirs,

In connection with your Offer for Sale of Ordinary Shares of Sotheby Parke Bernet Group Limited I have pleasure in giving you the following information.

#### Origins and Early History

The firm has its beginning in the cut and thrust of the London book trade of the 1730s. In 1733 a young bookseller named Samuel Baker started issuing catalogues from the *Angel and Crown* in Russel-street, Covent Garden. His first known catalogue of 19th February 1733 (this was before the introduction of the Gregorian calendar) was of a "Choice Library of Books consisting of History, Antiquity, Divinity, Physick, Mathematics, Law, Novels and Romances, etc.". Beale's *Concise of all Diseases* was offered at one shilling and Ovid's *Metamorphoses*, printed in Amsterdam in 1683, at two shillings. In the mid-1740s Baker began to dispose of libraries by auction, a form of sale that was then becoming popular. As his business prospered he moved into new premises in York Street, Covent Garden, and one of his most memorable sales from there, in 1754, was of the library of Dr. Richard Mead, scholar and collector, who was physician to George II and Sir Isaac Newton. Two years later Baker began the sale of the immense library of the topographer and antiquary, Richard Rawlinson. Even though Rawlinson had bequeathed some 5,700 manuscripts to the Bodleian Library, the sale of the remaining books and prints took sixty evening sessions, for sales at that time only began at five o'clock in the afternoon.

Although Baker continued to trade as a bookseller, and even as a publisher, he became a skilful auctioneer, and dispensed an increasing number of libraries, as well as the occasional collection of coins, medals, drawings, scientific instruments and antiquities. A portrait of Baker, which hangs in Sotheby's offices to this day, shows a sedate old man in a bob-wig and plum-coloured coat. Didkin, the famous nineteenth-century bibliographer, records a conversation with Samuel Sotheby, in which the latter describes Baker as "the Father of our Tribe", and comments on the portrait: "He was as fine a fellow as ever broke a crust of bread and we have a portrait of him up stairs taken not long before he died in his 60th year and with every tooth in his head as sound as a roach". It was, incidentally, in 1766 that the founder of our friends and rivals in King Street, James Christie, began in business as an auctioneer.

In 1767 Baker took George Leigh into the business. He became a partner in 1774 and continued the firm after Baker's death in 1778. Leigh in his turn took into partnership John Sotheby, Samuel Baker's nephew, and in 1780 the title of the firm became LEIGH & SOTHEBY. Three generations of the Sotheby family took an active part in running the business: John, John's nephew Samuel Sotheby, and the latter's son, Samuel Leigh Sotheby. The last two Sothebys were accomplished bibliophiles as well as auctioneers. At the time of S. L. Sotheby's death by drowning in 1861 he was in partnership with John Wilkinson. The latter was joined in 1864 by Edward Grose Hodge and the firm became known as SOTHEBY, WILKINSON & HODGE in that year. There had been some disruption of its affairs in 1865 when a great fire badly damaged the premises and destroyed many of our early records.

When Hodge Senior died in 1909, his son, Tom, became the sole proprietor and because his father had died intestate, he was forced to sell the business. It is at this point that the modern history of the firm begins, largely, as so often happens, by chance. Hodge was a sportsman and, on joining a new shooting syndicate, he is said to have met again as a fellow member a boyhood friend and now a rising ecclesiastical lawyer Montague Barlow, who combined amazing energy with a keen eye for business and wide antiquarian tastes. After protracted negotiations Hodge agreed to sell the business to Barlow and two friends of similar vision and taste. Thus Sotheby's passed into the hands of an unusual and far-sighted group of men. Barlow himself secured a seat in Parliament in 1910, entered the Cabinet as Minister of Labour in 1922 and retired from Sotheby's in 1928. The second member of the triumvirate, Geoffrey Hobson, became known as a versatile scholar, a world authority on rare book bindings and the author of a number of standard books on this subject. He strengthened and expanded the firm's interest in

books, manuscripts and autographs and was responsible for building up sales of most forms of collectable antiques and furniture. Felix Warre, the third new partner, who had gained his business experience in the Far East after achieving fame at Oxford as an oarsman, became one of the firm's principal auctioneers and in due course controlled Sotheby's finances until, after almost forty years of partnership, he retired to his native Dorset.

When Barlow, Hobson and Warre took over they had, at least in the sphere of books, a pre-eminent position. For two or three generations most British libraries of consequence which had come on the market had passed through Sotheby's hands. Their owners included such famous names as the Duke of York, Sir Thomas Lawrence, Richard Heber, the Duke of Buckingham, the Earl of Shrewsbury, the Rev. Thomas Corser, William Beckford, the Duke of Hamilton, the Earl of Ashburnham and Sir Thomas Phillips. Earlier on the firm had also attracted numerous foreign libraries. They included those of Talleyrand sold in 1816; of Napoleon (brought back from St. Helena) in 1823; of Louis Bonaparte, King of Holland (consigned by his nephew, afterwards Napoleon III); of Dr. Georg Kloss of Frankfurt and of the infamous Guglielmo Libri, who had pillaged various French public libraries in order to enrich his own. In 1910 the new partners had awaited for sale the magnificent Huth and Britwell Libraries which together realised more than £900,000 over many years in numerous sessions in the auction room.

By this time sales of porcelain, coins, European and Japanese prints, classical and Egyptian antiquities and even stamps were taking place much more frequently. In 1917 the lease at Wellington Street, near the Strand, where the firm had been for almost exactly one hundred years, was due to expire. The location was now anything but quiet and modish backwater it had been when Samuel Sotheby had moved there. So the bold decision was taken to move to the West End, where many important members of the art and antiquarian book trade had become established. The partners acquired much larger premises in New Bond Street, in a building that had once housed the Doré Gallery, and extended the business into silver, furniture, carpets, tapestries and other categories of the fine and decorative arts.

Although on a modest scale Sotheby's was no stranger to the fine art market—the firm had, for example, been responsible for the Studio sales of Richard Parkes Bonington and Thomas Sandby, and in 1913 it had sold a Frans Hals portrait belonging to Lord Glasnik for a record £9,000—it had never been previously equipped, or had the space, for the great art sales. The first really important such sale consisted of old master drawings, engravings, paintings and, particularly, armour from Wilton House, the home of the fifteenth Earl of Pembroke, in 1917. A second armour sale from Wilton included the celebrated Jacob suit of Henry Herbert, the second Earl of Pembroke, which fetched £25,000 and is now in the Metropolitan Museum in New York. It took a third sale from Wilton in 1923 to exhaust the armour there, and that year also saw the dispersal at Bond Street of the fine collection of European antique fire-arms belonging to Herbert J. Jackson. In May 1927 a four-day sale of the S. J. Wharwell collection of arms and armour, which included the famous Spinala Sword, totalled £39,000.

After the firm had taken on C. F. Bell of the Ashmolean Museum as its adviser on fine arts, such sales grew steadily. In 1918 there had been a two-day sale of the splendid old master drawings belonging to Sir Edward Poynter, President of the Royal Academy. In 1920 the virtually unknown cabinet of drawings which had belonged to the family of the Marquess of Lansdowne was sold, and this was followed by a fine selection of English drawings belonging to J. P. Heseltine (whose collection of paintings and house contents the firm was to sell in 1935). The following year saw the sale of Lord Northwick's drawings and in 1922 the outstanding collection of Italian, French, English and Dutch drawings of Max J. Bonn came under the hammer. It included particularly good examples of the work of Dürer, Holbein and Rembrandt. The same year saw the sale of the famous collection of Egyptian antiquities assembled by the Rev. William MacGregor which lasted no less than nine days. The 1920s was also the period when we were beginning to make a speciality of sales of Oriental porcelain.

In addition it was a very active period for book sales, in which many records were broken. The three sales of the illuminated manuscripts and early printed books belonging to Henry Yates Thompson were completed in 1921 and fetched a total exceeding £150,000. Nineteen books only from the library of the estate of the Earl of Carysfort in July 1923 fetched £35,500 in less than an hour. The Holford Library was sold in five sales between 1927 and 1929 for a total of £109,201. In 1928 we sold the original manuscript of the first version of *Alice in Wonderland* for £15,400, and in 1936 occurred the memorable sale of Sir Isaac Newton's papers, several million words of mostly unpublished material in the hand of the great scientist, the property of the Viscount Lynton.

Special efforts to attract collectors from abroad during the years of depression after 1929 met with notable success. France sent the paintings, drawings and antiquities of Vicomte d'Hendecourt, the Faghiel Magnan Collection of ninety-nine paintings and drawings and the fine works of art of the Comtesse de Greffulhe; from Germany came the Pringsheim and Glogowski Collections of Italian maiolica, and from Holland the

distinguished Library of A. W. M. Mensing. In 1938 one of the great American libraries, that of Mortimer Schiff, crossed the Atlantic for sale at Sotheby's.

At home the early thirties also saw our first incursion into house sales. Among many others, we sold the contents both of Viscountess Cowdray's London home at 16 Carlton House Terrace and of her house at Paddockhurst in Sussex, and in 1937 the magnificent contents of Lord Rothschild's house at 148 Piccadilly. The total of £125,264 realised for this was no surprise to the art world, as the sale of twenty-one Dutch cabinet pictures stimulated the fiercest rivalry between Dutch and French collectors. The Rothschild sale was one of the earliest to be broadcast live by the BBC.

#### Recent History

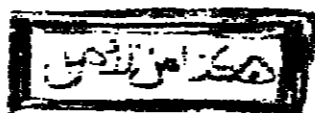
The outbreak of the Second World War did not, as in 1914, close the art sale rooms altogether. The sale at Sotheby's of the residue of the great Eumorfopoulos Collection of Chinese ceramics attracted numerous French collectors whose buying orders early in June 1940 must have been among the last commercial messages to pass freely across the Channel. In 1943 prices began to increase at long last and London slowly strengthened its position as a world centre of the fine art market. But the resumption of normal international trading was severely restricted for a decade by post-war currency regulations, and the chief sales after the war were of English collections. These included the paintings and other works of art of Sir Bernard Eckstein in 1948/49; the Ashburnham family collection of paintings and furniture in 1953; the particularly fine miniatures, paintings and silver of the Sotheby family of Ecton in 1955; the library of Sir Leicester Harmsworth, the sale of which had started in 1939 and was completed in 1953; and the illustrated books and magnificent illuminated manuscripts of C. W. Dyson Perrier which finally realised £1,046,592 and were part of the most valuable library we had sold up to that time.

During the 1950s Sotheby's had been developing its international reputation, acting, for example, as advisers to the Egyptian Government on the sale of the Royal Palace's Collections in Cairo in 1953. The removal of restrictions on imports from outside the sterling area in 1954, and the ability once more to pay the proceeds of sale in the consignors' own currency, stimulated the use of the London sale rooms by foreign consignors. In addition the introduction at this time of increasingly specialised sales contributed substantially to the firm's growth.

A sale of particular importance, which benefited from a combination of these factors, was that of French Impressionist and later paintings from Mr. Wilhelm Weinberg's Collection in July 1957 for £326,520, the first English auction sale exclusively devoted to such works. This was followed in October 1958 by a watershed in the firm's history, when only seven important Impressionist paintings from the Jakob Goldschmidt Collection were sold for £781,000 in some twenty-one minutes. In the first evening sale at Sotheby's to be held since the eighteenth century, the £220,000 paid for Cézanne's *Garnon au Gilet Rouge* was more than double the highest price previously paid at auction for any painting or work of art. Later in the same season, the Duke of Westminster's *Adoration of the Magi* by Rubens—now in King's College Chapel, Cambridge and so large that an opening had to be made in the floor of our West Gallery through which it had to pass in order to reach the sale room—was sold for £275,000, and by this time it could be said that London was established as the undisputed centre of the world's art market.

Over the previous forty years the firm's sales volume had increased twentyfold and book sales, although still an important part of the business, accounted for little more than ten per cent. of the total sales volume by 1958. It was in that year that I became Chairman of SOTHEBY & CO., the company which had owned the business since 1924.

In 1960 Thomas Gainsborough's portrait of *Mr. & Mrs. Andrews in the Park at Atherley, Sudbury* (now in the National Gallery) sold for £130,000, at that time the highest price ever paid at auction for an English picture, and the 168 pieces of the Louis XV silver dinner service from Berkeley Castle were sold in a single lot for £207,000. (The service had been insured for less than £10,000.) In the 1960/61 season the sale of paintings became our most important activity, the thirty-eight picture sales accounting for more than forty per cent. of the firm's business. In October 1960 a sale which included twenty-nine Picassos consigned by Jacques Sadie of New York realised £439,700. In the same season we sold an unrecorded portrait by Frans Hals for £182,000 and Goya's portrait of *the Duke of Wellington* for £140,000. In the following season Rembrandt's portrait of *St. Bartholomew* fetched £190,000 and we dispersed Sir Alexander Korda's Collection of Impressionists for £464,470 and Somerset Maugham's for £523,880. In December 1962 and June 1963 Sir Chester Beatty's Gold Boxes and other Objects of Vertu realised £223,587 in the two sales. Most of us thought that the sales volume reached in that season of heady days would remain unsurpassed. But the forty-seven Impressionist paintings belonging to the late William Cargill—the first such collection to sell for more than £1,000,000 at auction in England—and the dispersal of the many distinguished works of art belonging to the late René Fribourg of New York, in seven sales totalling £1,201,767, helped to increase the following season's sales volume by over 21 per cent.







**Continued**

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## MANAGEMENT

Edited by Rodney Cowton

## The attractions of permanent health insurance

Last week the Occupational Pensions Board published its findings on one of its most difficult assignments: the investigation into the provision of pension scheme cover for disabled people. The difficulties which revealed themselves after the Government presented the brief in 1976 were several, ranging from the lack of a reasonable universal definition of "disabled" to a massive absence of any useful statistical evidence.

But despite the handicaps, the OPB has reported and its principal conclusion is that the "difficulty of finding employment is the greatest obstacle in the way of disabled people achieving membership of pension schemes and that, once this is overcome, restrictions on admission to pension schemes are unlikely to be a significant problem."

In the course of its inquiries the OPB inevitably examined the question of permanent health insurance—inadequately named in the opinion of the many people who believe that long-term sickness insurance is a much better name—which obviously solves the problem for the person whose disability, whether mental or physical, accidental or not, has its onset during the course of his or her working life.

The evidence received by the OPB indicated that the number of long-term sickness benefit schemes was growing rapidly and that these had been encouraged in part by the Government pay policy. Unlike occupational pension schemes where no improvements are permitted, other than to bring a company scheme up to the required minimum level of

	ALBERTA	BRITISH COLUMBIA	MANITOBA	ONTARIO	QUEBEC	NEW BRUNSWICK	NEWFOUNDLAND	NOVA SCOTIA	PELTON	PRINCE EDWARD ISLAND	SASKATCHEWAN	YUKON	YUKON TERRITORY	ALBERTA	BRITISH COLUMBIA	MANITOBA	ONTARIO	QUEBEC	NEW BRUNSWICK	NEWFOUNDLAND	NOVA SCOTIA	PELTON	PRINCE EDWARD ISLAND	SASKATCHEWAN	YUKON	YUKON TERRITORY	ALBERTA	BRITISH COLUMBIA	MANITOBA	ONTARIO	QUEBEC	NEW BRUNSWICK	NEWFOUNDLAND	NOVA SCOTIA	PELTON	PRINCE EDWARD ISLAND	SASKATCHEWAN	YUKON	YUKON TERRITORY	ALBERTA	BRITISH COLUMBIA	MANITOBA	ONTARIO	QUEBEC	NEW BRUNSWICK	NEWFOUNDLAND	NOVA SCOTIA	PELTON	PRINCE EDWARD ISLAND	SASKATCHEWAN	YUKON	YUKON TERRITORY																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												
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Source: Kininmonth General Limited

benefits for contracting out, there are and have been no obstacles to the introduction and enlargement of permanent health insurance schemes.

Permanent health insurance provides a sickness benefit which becomes payable when an individual company's commitment to a sick employee ceases. An additional benefit which helps account for the attention it received in the OPB report is that the income can also be used to help maintain an employee's contributions to a company pension scheme which will become payable at the normal retirement age.

It is commonly accepted that the alternative of early retirement pensions for those who do retire through ill-health, because they are partially

based on length of service, are frequently derisory low.

The case for permanent health insurance seems overwhelming. Most of us accept the need for some form of protection against death cover for which can be obtained either individually or indeed as part and parcel of a good occupational pension scheme. But consider the statistics of a long-term disability versus death.

Insurance brokers Kininmonth which has been researching this subject recently has come up with some fairly daunting information. During one's working life there is three times more likelihood of disablement of more than three months than there is of death and the man under

40 stands a far greater risk of being incapacitated for more than three years at a stretch than he does of dying.

Individuals can buy permanent health insurance on their own initiative but there are advantages to obtaining it as a group benefit. For the employer the expense is tax-deductible and the payment is classed as earned income in the hand of the recipient. There is no tax relief for the individual purchase and the benefit is subsequently taxed as unearned income.

And, of course, there are the usual advantages of bulk buying for the employer who can reckon to spend between 0.5 to 0.75 per cent of his payroll on securing this benefit.

As socially acceptable

employee benefits continue to grow in popularity most responsible employers will probably wish to start investigating the possibilities of group permanent health insurance before they are pushed into it either by the government or by trades unions. Kininmonth is anticipation of this increased demand has produced the comparative chart, reproduced here, which analyses the group schemes on the market according to nine key characteristics.

The table shades from A which is highly competitive to E which Kininmonth estimates as uncompetitive. The rows in the table cover the following points:

(1) Premiums: at the extreme a company may

charge twice as much as another for a specific set of benefits.

(2) Definition of disability: Ranging from paying out if an individual can't do his own job to insisting that he must try his hand at other more lowly ones if fit enough.

(3) Exclusions: there are startling variations in the small print ranging from one only precluding active participation in war to another listing 11 exclusions.

(4) Profit sharing: this is equivalent to a no-claim discount which is either available at an extra cost or not allowed.

(5) Escalator: this refers to the post-award increase in benefits over or up to 5 per cent, below that figure or not available.

(6) Maximum benefit: this is £15,000 a year at the top of the scale.

(7) Non-medical limits: can range from over £3,000 to under £2,000. Important distinction for employers who wish to avoid both inconvenience and possible exclusion of some employees. (Row (1) is for small companies; row (2) for companies with more than 50 employees).

(8) Residence and travel: a major point lacking that some companies cover worldwide employees while others are more restrictive allowing only UK travel.

(9) Deferred period option: big companies may wish to defer payment but delay period can range from three to 24 months.

Margaret Stone

## VAUX BREWERIES

## INTERIM REPORT

In December 1976, the company announced a change of financial year-end from April to September and the extension of the current year to the 1st October 1977. This is therefore an unaudited interim report covering 12 months to 30th April 1977, by Paul Nicholson, the Chairman.

- Pre-tax profit was 16.8% ahead of last year and exceeded £5 million for the first time. In December 1976, we announced an interim dividend of 5.85% payable in August 1977. As we hope that tax is to be reduced to 33%, we now intend to pay 6.03% but will have to reduce the final dividend marginally if taxation rates are not reduced and dividend controls remain in force.
- The year has not been an easy one. Unemployment remains high in our main trading areas, reaching 13.2% in Sunderland. Whilst the summer of 1976 was not quite as exceptional as in the South of England and sales were only equivalent to 1975, our winter trade was better.
- We more than maintained our share in the North East of England although sales there were lower, particularly in our own pubs. However, this decrease was made up by the very good performance of S. H. Ward & Co., and by our success in developing new trade outside our traditional areas. Lager sales again increased and canned sales were well ahead.
- Following the launch of a new range of products by Lorimer's Breweries in Scotland, we have corrected the adverse trend in our Scottish sales with increased demand for canned beers and a substantial contract for a major supermarket chain.
- Swallow Hotels did much better business with higher room occupancies and increased sales of meals.
- During the year we acquired a group of five pubs in Glasgow and bought the Imperial Hotel in Newcastle-upon-Tyne. We also completed one new pub and disposed of 13.
- We believe that the outlook over the next few years is bright. We have a capital expenditure programme of over £30 million to develop all aspects of our business including rationalising Scottish production in Edinburgh, installing new lagering equipment at Sunderland and increasing the capacity of Ward's Brewery in Sheffield. However, as we only made just over 14% on our assets last year, I cannot understand the threatened political interference with our prices and profits when costs continue to escalate. A freeze on prices would mean a very serious review of whether political conditions were ever likely to be such as to justify our expansion programme.

The Annual General Meeting will be held in Sunderland on 5th August 1977. Copies of the Interim Report are available from the Secretary, Vaux Breweries Limited, The Brewery, Sunderland.

Comparative Figures	1973	1974	1975	1976	1977
Turnover	£1,100	£1,200	£1,450	£1,550	£1,700
Profit before Tax	£3,618	£3,808	£3,893	£4,423	£5,165
Available for shareholders	1,991	1,665	2,023	2,241	2,576
Capital employed	30,855	32,619	38,540	41,721	45,268

We take pleasure in announcing that

JONATHAN G. WAGNEW

JAMES W. LEWIS

BARRY C. GOOD

THOMAS C. MELZER

ROBERT R. HENRY

DAVID S. PHILLIPS

have been elected \*Managing Directors of

MORGAN STANLEY HOLDINGS

Incorporated

and

MORGAN STANLEY &amp; CO.

Incorporated

effective July 1, 1977

June 27, 1977

1251 Ave. of the Americas, New York, New York 10020

\*Pending approval by the New York Stock Exchange, Inc.

## Participating in a search for higher productivity

## FINANCIAL NEWS AND MARKET REPORTS

## m with a Scottish base in the City

For 10 years since its first set up in the City, it has established in the spring of 1973, it would argue, is that the firm is now one of the front teams in the City. The firm's heart is in the City, but its base is in Scotland. The firm's heart is in the City, but its base is in Scotland. The firm's heart is in the City, but its base is in Scotland.

partner, Mr John is not like even this in his research team. It is increasingly its resources in the City. We want to see the firm's heart in the City, but its base is in Scotland. The firm's heart is in the City, but its base is in Scotland.

ent of analysts is slow although there is, currently, which WM would like to see. It is increasingly its resources in the City. We want to see the firm's heart in the City, but its base is in Scotland.

## ers' views

is limited by the what Mr Chien as the quantum mass, m's research depart-ment is large in the City. It is increasingly its resources in the City. We want to see the firm's heart in the City, but its base is in Scotland.

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International's con-struction, it is in the City. It is increasingly its resources in the City. We want to see the firm's heart in the City, but its base is in Scotland. The firm's heart is in the City, but its base is in Scotland.

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## James Cropper Company Limited

Following are the unaudited preliminary profit for the year ending 2nd April 1977.

	1977	1976
ver .. ..	8,245,800	6,198,900
Profit .. ..	196,938	(77,590)
on sale of .. ..	63,296	—
st Paid .. ..	260,234	(77,590)
.. ..	(208,327)	(124,288)
er to Deferred .. ..	51,907	(201,878)
axation account .. ..	(4,200)	117,000
after taxation .. ..	47,707	(84,878)
nds: .. ..	—	—
ary: 1% on .. ..	4,000	— (nil)
000 Shares of 25p .. ..	—	—
on 1,600,000 .. ..	—	—
s of 25p each .. ..	8,000	4,000 (1%)
se transferred to .. ..	35,707	(88,878)

Trading conditions in the first quarter of the financial year show an improvement over the preceding period last year.



Mr Bill Ridley, chairman of the research committee (left) and Mr John Chien, senior partner of Wood Mackenzie.

A general broker would expect to cover about 80 per cent of the market by capitalization whereas some specialists are happy to analyse only 50 per cent. WM stands midway between the two with about 65 per cent coverage which is explained by the firm's work on multi-nationals such as Unilever.

The firm has decided to analyse only United Kingdom quoted stocks so multi-nationals—the drug and oil giants where WM also specializes fit into this category. WM has decided to give the desired exposure in overseas economies.

Experience in gold mining research was the direct entry into overseas stocks and although both Mr Chien and Mr Ridley insist that the firm's gold mining work was of very good quality, there was nothing they or the rest of the United Kingdom market could do to stem the flood of this business to overseas brokers, offering

## City Hotels comes to market

By Our Financial Staff. Dealings in City Hotels Group will start next Thursday after the placing of 1.1m of the 3m shares in issue. Abingworth, a private investment trust owned by private clients of Capel-Cure Myers will take 300,000 shares and the broker's private clients will take up a similar amount. The placing, at 60p, has attracted support from income funds since the yield for the current year is 10 per cent on the forecast dividend of 3.3p per share net. The historic price-earnings ratio is pitched at 5.5 times.

The deal is the first of its kind for Dayville Merchant Bank, which has placed the stock, and also the first to go over the previous limit of 500,000 shares but City Hotels' chairman, Mr Philip Kaye, feels a certain sense of déjà vu. He placed the Golden Egg chain in 1964 which was subsequently acquired by EMI. Coming back to the market with an entirely new group, he admits to being a "glutton for punishment".

But he claims to be happier with this operation because there are no outside partners and is looking for high growth, particularly from the Dayville American-style ice-cream activities. These brightly lit shops have properly hit saturation point in London but the board foresees major advances elsewhere.

Since City Hotels now lets out franchises in all but 12 of its 100 Dayville outlets, expansion absorbs almost no cash. A first step should be opened in Frankfurt sometime this autumn and if sceptics feel that this is a particularly inopportune time of the year to launch an ice-cream parlour, Dayville

came to London in December, 1975, and has never looked back since.

The group owns 15 Strikes outlets, the hamburger chain and further locations are currently being pursued. Partly because Strikes is licensed and partly because it offers comfortable seating, City Hotels has not felt the draught of the massive expansion by MacDonalds.

It also owns 583 medium-price hotel bedrooms in the further extremities of London's tourist areas, but, given the high cost of building and property, there are no immediate plans for expansion.

Profits last year reached £745,000 and, although the group makes no forecast for 1977, the first five months are said to be considerably better than in the comparable previous period.

On the group's future, the chairman goes on to say that prospects are further affected by an increase of 25 per cent in the price of wood which the group buys, as well as in the cost of other raw materials.

In their report, the auditors,

"I cannot, therefore, advance expectations of a result for 1977 comparable with last year". The group must probably wait until 1978 for the recovery in world markets.

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